

APEC Experts Group on Illegal Logging and Associated Trade (EGILAT)

Timber legality guidance template for **Chile**¹

The purpose of this guidance template document is to provide APEC member economies with guidance on compiling the appropriate information for businesses and governments within the APEC region regarding timber legality laws and regulations in place in Chile. It follows from multiple discussions at EGILAT meetings in which it was recognised that it would be beneficial to compile the laws or regulations of APEC economies governing timber production and trade with a goal of supporting legal timber trade between APEC members.

¹ The information contained in this Timber Legality Guidance Template is an indicative compilation of the laws and regulations that are in place in Chile and must be regarded as a non-exhaustive document.

Overview of Timber Legality in Chile

- **Which bodies or institutions are responsible for managing and regulating forests in Chile**

- In Chile, the forestry institutional framework considers different agencies. The Ministry of Agriculture is the institution of the State in charge of promoting, guiding and coordinating the forestry and agriculture activity in Chile. Several agencies depend on it and two are fully dedicated to the forestry sector, as it is described below:
- The National Forestry Institute (INFOR) is a technological research institute of the State of Chile, attached to the Ministry of Agriculture. Its mission is "Creating and transferring scientific and technological knowledge for the sustainable use of forest resources and ecosystems, product development and associated services, as well as generating relevant information to the forestry sector in the economic, social and environmental aspects".
- The National Forestry Corporation (CONAF) has the mission of contributing to the sustainable management of native forests, xerophytic formations and forest plantations through the functions of development, control of forestry-environmental legislation and protection of vegetation resources, as well as the conservation of biological diversity through the National System of Protected Wild Areas, for the benefit of society." A set of laws and regulations allows them, as a State institution, to regulate forestry activities. To meet those objectives, forestry control plays a relevant role through the application of laws and regulations. For instance, Supreme Decree N° 4.363, on Forest Law that regulates logging in general terms in Chile; Law N° 20.283 of 2008, on the Recovery of Native Forest and Forestry Development; Decree Law N° 701 of 1974, on Forestry Development; Supreme Decrees N° 490 of 1976 and N° 43 of 1990, which respectively declare Chilean Larch (*Fitzroya cupressoides*) and pehuen or Chilean pine (*Araucaria araucana*) trees as natural monuments; and Decree N° 13 of 1995, provides special protection status to certain species.

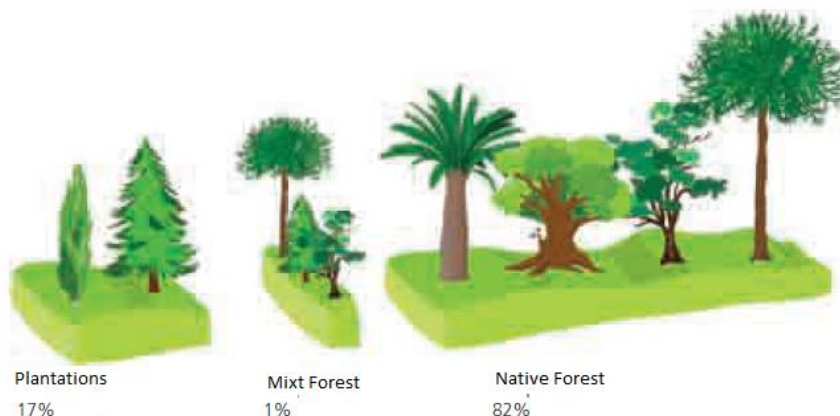
To regulate the intervention and exploitation of forest species, the National Forestry Corporation applies a set of actions to enforce legal and technical standards regarding the use, utilization, conservation, and protection of forest resources and the environment, associated to the development of production or exploitation activities.

Other institutions, which do not have administrative and regulatory powers regarding forests, is necessary to mention in the Timber legality guidance template, Their functions are described below:

- The National Customs Service, in compliance with article 1° of the Customs Law, Statutory Decree N° 30/05, and its Organic Law, Statutory Decree N° 329/79, both from the Ministry of Finance, is an autonomous public entity, which depends on the Ministry of Finance. The National Customs Service monitors and controls the movement of goods, along the coasts, borders and airports of the Republic; intervenes in international border operations to collect import, export and other taxes determined by law; and generates border traffic statistics, without prejudice of other duties provided by law.
- The Public Prosecutor's Office is a constitutionally autonomous agency whose role is to lead the investigation of facts that constitute a crime, to file those cases with independent jurisdictional penal courts.

Who owns forests in Chile (public, private, indigenous)?

According to the last update of the Native Vegetation Resources Cadastre², Chile has 17.5 million of hectares covered by forests. From this total, 14.3 million of hectares are native forests, whereas 3.0 million are forestry plantations and 0.2 are mixed woodlands.



A native forest is defined in Law N° 20.283 of 2008 as "*a forest composed of native or autochthonous species, coming from natural regeneration or under canopy plantation, with the same species present in the original distribution area, that could have an adventitious presence of randomly distributed exotic species.*"

² CONAF, 2016. Native Vegetation Resources Cadastre, January 2016 update.

Related with the previous statement, the native or autochthonous species are established by the Supreme Decree N° 68 of 2009 of the Ministry of Agriculture.

Concerning to land tenure, only a 30 percent of the area covered by forests is included inside State's National System of Protected Wild Areas (SNASPE for its acronym in Spanish). This was created by Law 18.362 of 1984; to govern every activity in Chile that takes place in protected wild area of the State, namely parks, reserves, and natural monuments.

Which laws regulate timber harvesting and exportation in Chile?

Chile has a robust forest institutional framework in the forest sector. Currently there are two legal bodies that regulate forestry in Chile, Decree Law 701 of 1974 on forest development and Law No. 20.283 on Recovery of Native Forest and Forest Development. These legal bodies establish the requirements that must be met to intervene the forests in Chile, establishing sanctions to those who do not comply with the requirements provided in those laws and regulations.

Authorise or regulate the harvesting or exportation of timber;

Law and Regulation	Ministry	Year of Publication	Description	Link
Supreme Decree N° 4.363	N/A	1931	Forest Law that regulates logging in general terms in Chile.	http://www.leychile.cl/Navegar?idNorma=19422
Decree Law N° 701	Agriculture	1974	It is a decree of Forestry Development that establishes regulations and incentives for tree plantations in Chile	http://www.conaf.cl/wp-content/files_mf/1465240427NormativaForestal.pdf
Supreme Decree N° 259	Agriculture	1980	It considers Technical Regulations for the implementation of Decree Law N° 701	http://www.leychile.cl/Navegar?idNorma=11624
Supreme Decree N° 193	Agriculture	1998	It considers General Regulations for the implementation of Decree Law 701	http://www.leychile.cl/Navegar?idNorma=125009
Law N° 20.283	N/A	2008	It is a law for the recovery of Native Forests and Forest Development	http://www.leychile.cl/Navegar?idNorma=274894
Supreme Decree N° 93	Agriculture	2009	It considers General Regulations for the implementation of Law N° 20.283	http://www.leychile.cl/Navegar?idNorma=1006865
Supreme Decree N° 82	Agriculture	2011	It considers regulations to protect Land, Water, and Wetlands	http://www.leychile.cl/Navegar?idNorma=1022943
Decree with Force of Law N° 30/05	Finance	2005	It approves a consolidated, coordinated and organized text of SD of Finance N° 213 of 1953 of Customs Law	https://www.leychile.cl/Navegar?idNorma=238919&idParte=

Prohibit timber harvesting in specified locations, such as in parks, reserves, or protected areas;

Law and Regulation	Ministry	Year of Publication	Description	Link
Supreme Decree N° 113	Agriculture	1965	It prohibits the logging in the Nahuelbuta National Park, District of Cañete, Province of Arauco.	http://www.leychile.cl/Navegar?idNorma=1027801
Supreme Decree N° 403	Agriculture	1965	It prohibits the logging on banks of the Contaco River, Osorno.	http://www.leychile.cl/Navegar?idNorma=1027862
Supreme Decree N° 552	Agriculture	1967	It prohibits the logging on stated property land in the District of Paine, Maipo Department, Province of Santiago.	http://www.leychile.cl/Navegar?idNorma=1027880
Supreme Decree N° 629	Agriculture	1967	It prohibits the logging on stated property land in the District of Cunco, Temuco Department, Province of Cautín.	http://www.leychile.cl/Navegar?idNorma=1027881
Supreme Decree N° 572	Agriculture	1968	It prohibits the logging on stated property land in the District of Los Vilos, Department of Illapel, Province of Coquimbo.	http://www.conaf.cl/cms/editorweb/transparencia/marco_normativo/Dto-572-1968.pdf
Supreme Decree N° 8	Agriculture	1968	It prohibits the logging on stated property land for the east mountain area of Santiago City.	http://www.leychile.cl/Navegar?idNorma=1027800
Supreme Decree N° 427	Agriculture	1968	It prohibits the logging on stated property land for the District of Melipilla, Province of Santiago.	http://www.leychile.cl/Navegar?idNorma=1027863
Supreme Decree N° 428	Agriculture	1968	It prohibits the logging on areas located up to one hundred meters from the International Road of Puyehue.	http://www.leychile.cl/Navegar?idNorma=1027864
Supreme Decree N° 221	Agriculture	1969	It prohibits the logging of stated land that forms the Peñas Ravine, Department of Ovalle.	http://www.leychile.cl/Navegar?idNorma=1027802
Supreme Decree N° 106	Agriculture	1970	It prohibits the logging of stated property land in the District of Pirque, Department of Puente Alto, Province of Santiago.	http://www.leychile.cl/Navegar?idNorma=1017504
Supreme Decree N° 147	Agriculture	1971	It declares as forest the land located in the hydrographic basin of Parrillar Lagoon, in the Brunswick's Peninsula.	http://www.leychile.cl/Navegar?idNorma=1027871
Supreme Decree N° 82	Agriculture	1974	It prohibits the logging and shrub clearing in a stated zone of the Andean foothills and Andean mountain in the Province of Santiago.	http://www.leychile.cl/Navegar?idNorma=253495

Law and Regulation	Ministry	Year of Publication	Description	Link
Supreme Decree N° 295	Agriculture	1974	It prohibits the logging in a stated zone of the Andean foothills and Andean mountain in the Provinces of Ñuble and Bio Bio.	http://www.leychile.cl/Navegar?idNorma=1027876
Supreme Decree N° 237	Agriculture	1974	It prohibits the logging within one hundred meters in the longitudinal road, along the section between Chillán, from the north, to the town of Quellón, from the south.	http://www.leychile.cl/Navegar?idNorma=1048487
Supreme Decree N° 146	Agriculture	1974	It prohibits the logging and shrub clearing in a stated area in the Province of Aysen.	http://www.leychile.cl/Navegar?idNorma=1019175
Supreme Decree N° 249	Agriculture	1974	It prohibits the vegetation clearing in a stated land in the Province of Magallanes.	http://www.leychile.cl/Navegar?idNorma=1027874
Supreme Decree N° 353	Agriculture	1975	It prohibits the logging on both sides of the stated international public road from the port of Valparaíso to Argentina (Mendoza).	http://www.leychile.cl/Navegar?idNorma=1027877
Supreme Decree N° 6	Agriculture	1975	It prohibits the logging on stated road sides for the District of Casablanca, Province of Valparaíso.	http://www.leychile.cl/Navegar?idNorma=1027799
Supreme Decree N° 438	Agriculture	1976	It declares a stated sector as protected area in the Provinces of Santiago and Valparaíso.	http://www.leychile.cl/Navegar?idNorma=1027878
Supreme Decree N° 255	Agriculture	1976	It creates a protection area at the Claro River (Colchagua) and it regulates logging and shrub clearing.	http://www.leychile.cl/Navegar?idNorma=1027875
Supreme Decree N° 46	Agriculture	1976	It creates a tourist protection area in Vilches, District of San Clemente, and it regulates logging and shrub clearing.	http://www.leychile.cl/Navegar?idNorma=1027865
Supreme Decree N° 55	Agriculture	1976	It creates the Vichuquén Lake protection area, and it prohibits the logging and shrub clearing.	http://www.leychile.cl/Navegar?idNorma=1027868
Supreme Decree N° 211	Agriculture	1976	It creates the “Robles del Maule” protection area in the Province of Linares, VII Region.	http://www.leychile.cl/Navegar?idNorma=1048489
Supreme Decree N° 40	Agriculture	1976	It establishes a protection area for the coastal sectors of Chaihuin - Hueicolla, Valdivia.	http://www.leychile.cl/Navegar?idNorma=124626

Law and Regulation	Ministry	Year of Publication	Description	Link
Supreme Decree N° 54	Agriculture	1976	It creates a protection area in Isla Grande, Chiloé.	http://www.leychile.cl/Navegar?idNorma=1026902
Supreme Decree N° 449	Agriculture	1977	It creates the "Villarrica Lake" protection area, Province of Cautin, IX Region.	http://www.leychile.cl/Navegar?idNorma=1027879
Supreme Decree N° 67	Agriculture	1978	It creates Bellavista Forest Estate as a protection area, Province of Malleco, IX Region.	http://www.conaf.cl/cms/editorweb/transparencia/marco_normativo/Dto-67-1978.pdf
Supreme Decree N° 82	Agriculture	1979	It declares as a protection area the surrounding of Prat's childhood home, Ninhue.	http://www.leychile.cl/Navegar?idNorma=1027869
Supreme Decree N° 67	Agriculture	1979	It creates the "Isla Mocha" protection area, Province of Arauco.	http://www.leychile.cl/Navegar?idNorma=1048486
Supreme Decree N° 248	Agriculture	1981	It declares a protection area in a stated sector in the VII Region and it prohibits vegetation clearing.	http://www.leychile.cl/Navegar?idNorma=1027873
Supreme Decree N° 92	Agriculture	1983	It declares a protection area in a stated sector in the VI Region and it prohibits vegetation clearing.	http://www.leychile.cl/Navegar?idNorma=1027870
Supreme Decree N° 82	Agriculture	2011	It considers regulations to protect Land, Water, and Wetlands.	http://www.leychile.cl/Navegar?idNorma=1022943

Prohibit or regulate harvesting or exporting of specific tree species

Law and Regulation	Ministry	Year of Publication	Description	Link
Supreme Decree N° 490	Agriculture	1977	It declares the Chilean larch tree (<i>Fitzroya cupressoides</i>) as a natural monument.	http://www.leychile.cl/Navegar?idNorma=147731
Supreme Decree N° 43	Agriculture	1990	It declares the pehuen or Chilean pine (<i>Araucaria araucana</i>) as a natural monument	http://www.leychile.cl/Navegar?idNorma=8102
Supreme Decree N° 13	Agriculture	1995	It declares the following species Queule (<i>Gomortega keule</i>), Pitao (<i>Pitavia punctate</i>), Belloto del Sur (<i>Beilschmiedia berteriana</i>), Belloto del Norte (<i>Beilschmiedia miersii</i>), and Ruil (<i>Nothofagus alessandrii</i>) tree as natural monuments.	http://www.leychile.cl/Navegar?idNorma=19643

Require any type of payment, such as royalties, stumpage, or other fees, for the right to harvest timber;

Law and Regulation	Ministry	Year of Publication	Description	Link
Supreme Decree N° 66	Agriculture	1992	It sets fees for proceedings and inspections to be performed by the National Forestry Corporation . The payment of bonuses applies to different activities such as the approval of logging or forest management plans.	https://www.leychile.cl/Navegar?idNorma=93345

Grant legal rights of use and tenure in relation to the place in which timber is harvested to people or groups of people, such as indigenous peoples;

Law and Regulation	Ministry	Year of Publication	Description	Link
Law N° 19,253	N/A	2008	Establishes that indigenous lands, mandated by domestic interest, will benefit from the protection of this Law and may not be disposed of, seized, levied or adversely possessed, with the exception of it happening among indigenous communities or individuals of the same ethnic group. Nevertheless, levy will be allowed with CONADI's previous approval	https://www.leychile.cl/Navegar?idNorma=30620

Prohibit or regulate the transportation, export, import, or transshipment of timber or wood products;

Law and Regulation	Ministry	Year of Publication	Description	Link
Decree Law N° 873	Foreign Affairs	1975	It approves the Convention of International Trade in Endangered Species of Wild Fauna and Flora. It regulates the exports, imports, and re-exports of CITES Appendices species.	http://www.leychile.cl/Navegar?idNorma=199552
Supreme Decree N° 141	Foreign Affairs	1975	It approves the Convention of International Trade in Endangered Species of Wild Fauna and Flora.	http://www.leychile.cl/Navegar?idNorma=188514
Supreme Decree N° 490	Agriculture	1977	It declares the Chilean larch tree (Fitzroya cupressoides) as natural	http://www.leychile.cl/Navegar?idNorma=147731

			monument	
Law N° 20.283	N/A	2008	It is a law for the recovery of Native Forests and Forest Development. It regulates and encourages a sustainable management of Native Forest and Xerophytic Formations.	http://www.leychile.cl/Navegar?idNorma=274894
Law N° 20.962	N/A	2016	It applies the Convention of International Trade in Endangered Species of Wild Fauna and Flora.	https://www.leychile.cl/Navegar?idNorma=1096714

Regulate the possession, purchase, sale, or processing of timber or wood products; and

Law and Regulation	Ministry	Year of Publication	Description	Link
Supreme Decree N° 490	Agriculture	1977	It declares the Chilean larch tree (Fitzroya cupressoides) as natural monument.	http://www.leychile.cl/Navegar?idNorma=147731
Law N° 20.283	N/A	2008	It is an law for the recovery of Native Forests and Forest Development.	http://www.leychile.cl/Navegar?idNorma=274894
Law N° 20.962	N/A	2016	It applies the Convention of International Trade in Endangered Species of Wild Fauna and Flora.	https://www.leychile.cl/Navegar?idNorma=1096714

Otherwise must be complied with for timber or wood products to be considered legally harvested or exported.

Law and Regulation	Ministry	Year of Publication	Description	Link
Decree Law N° 701	Agriculture	1974	It is a decree of Forestry Development that establishes regulations and incentives for tree plantations in Chile	http://www.conaf.cl/wp-content/files_mf/1465240427NormativaForestal.pdf
Supreme Decree N° 490	Agriculture	1977	It declares the Chilean larch tree (Fitzroya cupressoides) as a natural monument	http://www.leychile.cl/Navegar?idNorma=147731
Law N° 20.283	N/A	2008	It is an law for the Recovery of Native Forests and Forest Development	http://www.leychile.cl/Navegar?idNorma=274894

How do timber harvesting laws operate in Chile?

- What are the requirements of legislation in Chile that authorises or regulates the harvesting or exportation of timber?

The harvest of native forest on any terrain, as well as, forest plantations placed on lands preferentially suitable for forestry (defined in Decree Law N°701 of 1974); requires a management plan approved by CONAF before any cutting activity. In the case, there is a decision to intervene the forest; independently of whom is the owner of the property; there is an obligation under law that a management plan has to be presented and approved by the forest authority

When harvesting is performed without an approved management plan or conducted against the specifications included in such authorization (e.g. different areas, species or higher volume extraction), an "unauthorized cutting" or illegal logging instance is verified.

Unauthorized cuttings are sanctioned with a penalty fee, equivalent to twice the commercial value of product obtained, and increased proportionally if such goods have been alienated from the field. In the case of protected species, a fee is applied for every harvested tree.

Although the National Forestry Corporation (CONAF) performs inspection and quantification of illegal logging activities, the penalties for such interventions are sanctioned by the Local Police Court.

In relation to documents and requirements which are mandatory for export operations are specified in Customs regulation corresponding to the Compendium of Customs Regulations (Resolution N° 1300 of 2006 from the National Customs Service).

Exporters of goods must be submitted to the National Customs Service, through a customs broker, the Documento Único de Salida – Aceptación a Trámite- DUS –AT (Single Export Document- acceptance for processing), which must contain all the information required³. In addition to the DUS – AT, the mandate given to the customs brokers must be submitted, together with the shipping note or instructions, the transport and freight documents, a copy of the commercial invoice issued, as well as the necessary signatures and/ or authorizations, which are specified in the Compendium, Annex 40. For the case of goods whose f.o.b. value does not exceed US\$2,000 they can apply simplified procedure.

- **What are the requirements of the laws or regulations that prohibit or restrict timber harvesting in specified locations, such as in parks, reserves, or protected areas;**

³Such as the name of the shipping agent or exporter, address, municipality, customs post, port of loading, type of cargo, means of transport, code of the region of origin, port of unloading, economy of destination, name of the transport company, name of the issuer, name of the ship, number of the voyage, authorizations, volume of the goods, F.O.B. value, tariff code, product description, gross weight, type and quantity of containers, inter alia)

Timber harvesting on certain protected categories (parks and natural monuments) is prohibited, whereas in reserves forest cutting is permitted under certain restrictions and prior authorization of CONAF.

Interventions on fragile soils, high slopes, and glaciers or streams proximities are also restricted. The specific requirements are stated in the corresponding Laws and Regulations because these depend mostly on the specific terrain conditions and/or the type of forest to be harvested (native or plantations).

On the other hand, Decree 4.363/1931 establishes, in its article 21, penalties for violating article 5 of that legislation. It is legally known as Illegal Logging Crime, which is prosecuted by the Public Prosecutor's Office and settled in a jurisdictional penal Court.

The Forest Law sanctions illegal logging in article 21, and establishes that in order for it to be applicable, it will be necessary to determine whether trees and shrubs that have been cut or destroyed comply with the specifications of article 5 of the same law, that is to say:

1. Native trees and shrubs located less than 400 meters above the springs that are born in the hills and those located less than 200 meters from its shores from the point where the slope originates to that in which the plan ends.
2. Trees less than 200 meters from springs born on flat non-irrigated land.
3. Native trees and shrubs on slopes above 45%.

With the exception of having justified cause and prior approval of a plan of Management in accordance with Decree Law No. 701 of 1974.

- **What are the requirements of the laws that prohibit or regulate harvesting or exportation of specific tree species;**

Some species have a special protection status. For instance, Chilean Larch (*Fitzroya cupressoides*) or Lahuén tree and the pehuen or Chilean pine (*Araucaria araucana*) tree have been declared as natural monuments by Supreme Decree s N° 490 of 1976 and N° 43 of 1990, respectively. Logging of these trees is prohibited throughout the domestic territory, unless expressly authorized by CONAF in the event that these operations are intended to carry out duly authorized scientific research, to enable land for public construction works, defense works, or achievement of Forestry Management Plans by official State institutions, whose exclusive objective is to preserve and improve the species. A violation of this provision shall be reported to the corresponding Local Police Court. . The Queule (*Gomortega keule*), Pitao (*Pitavia punctata*), Belloto de Sur (*Beilschmiedia berteriana*), Belloto del Norte (*Beilschmiedia miersii*), and Ruil (*Nothofagus alessandrii*) trees, by Decree N° 13 of 1995, have also special protection status, banning their logging and destruction, unless expressly authorized, qualified, and justified by CONAF.

The harvest of dead specimens of Chilean Larch (*Fitzroya cupressoides*) is allowed with prior authorization of a "dead wood extraction management plan," issued by CONAF. However, the commercialization of those products is only possible domestically because such tree is included in Appendix I of CITES.

Labeling is only applicable to Chilean Larch (*Fitzroya cupressoides*) deadwood products. These goods carry a unique identifier from every producer and are stamped using a hammer.

- **What are the requirements of the laws that require any type of payment, such as royalties, stumpage, or other fees, for the right to harvest timber;**

A fee must be paid for any for proceedings and inspections to be performed by the National Forestry Corporation, concerning requests for payment of forest subsidies, approval of management plans for logging and use of forests. The amount of those fees is established based on the kind of the activity and the geographical region where it will be executed.

- **What are the requirements of the laws grant legal rights of use and tenure in relation to the place in which timber is harvested to people or groups of people, such as indigenous peoples;**

Law No. 19,253 establishes in its articles 13 et seq. a series of indigenous land protection standards that prevent their disposal, seizure, levy without authorization from CONADI, and adverse possession, except between communities or indigenous peoples of a same ethnic group.

Forestry activities must also comply with international agreements to which Chile is Party to. It is worth mentioning that Chile is a Party to the International Labor Organization (ILO) Convention N°169 "concerning Indigenous and Tribal Peoples in Independent Countries" of 1989, which recognizes the right of prior consultation in its article 6 N° 1 letter a) and N° 2. The Supreme Decree N° 236 of 2008 of the Ministry of Foreign Affairs promulgated this Convention.

Moreover, the Supreme Decree N° 66 of 2013 of the Ministry of Social Development approves the abovementioned consultation procedure, thus repealing certain provisions of Supreme Decree N° 124 of 2009 of the former Ministry of Planning (MIDEPLAN, for its acronym in Spanish), currently the Ministry of Social Development.

Furthermore, Chile has ratified the Convention on Biological Diversity (CBD), which protects in situ – ex situ plant species and their sustainable use through environmental

education and participation of local communities. It is a domestic law through the Decree N° 1963 of the Ministry of Foreign Affairs, published in 1995

- **What are the requirements of the laws that prohibit or regulate the transportation, export, import, or transshipment of timber or wood products;**

Primary Product from Native Forest shall be understood as the product directly obtained from existing native forest species growing under a natural condition or that are the result of a first processing. The following are the main native forest wood products:

- Pulp logs and sawing logs
- Wood posts, stakes, guides, and cords
- Wood chips with or without bark
- Sawn timber (foundations, boards, planks, covers or linings, semi-cylinders, roof shingles, and floorboards).
- Firewood
- Manufactured or sawn railroad ties

Prior control of these products, before exportation, is based mainly on a risk analysis that consists in three steps:

- 1.-physical inspection,
- 2.- documentary inspection,
- 3.- specimen identification, and its incorporation, if applies, in one of the CITES appendices..

It should be noted that Customs, subject to this kind of operations, have adopted as an internal oversight measure, to request, when declaring goods to customs, Free Transit Guide (primary product) in order to verify that the primary products of native forest that will be traded come from a felling authorized by the competent body (National Forestry Corporation) in accordance with what is established in Articles N° 32 of Supreme Decree N° 93/2008 and N° 58 of Law N° 20.283.

What are the requirements of any other laws that must be complied with for timber or wood products to be considered legally harvested or exported.

In conformity with its domestic legislation or international agreements, Chile does prohibit or control the export of certain products. Among the products which may not be exported are anthropological, archaeological, ethnic, historical and paleontological items and articles; pehuen or Chilean pine (araucaria araucana); and psychotropic substances.

For example, the export of goods for which trade is regulated by CITES is also prohibited or requires and export permit. An export permit is necessary for product listed in CITES

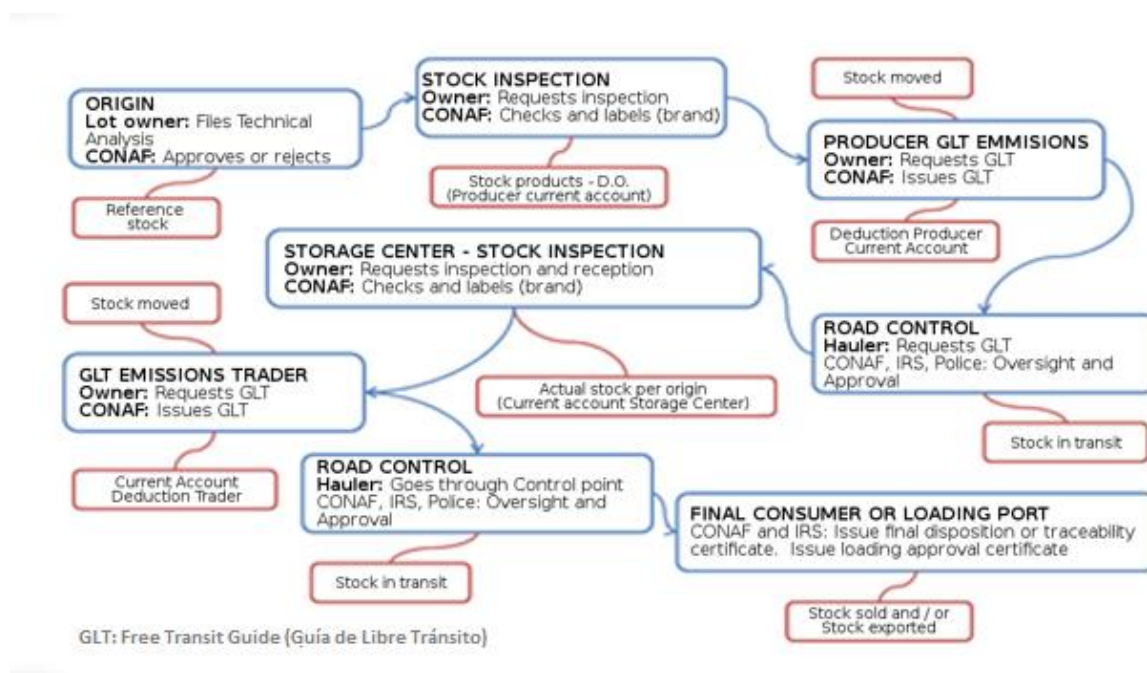
Appendices I, II and III, and in the case of forest flora, this is granted by CONAF, while for non-forest species and fauna, it is issued by SAG.

In relation to documents and requirements, which are mandatory for export operations are specified in Customs regulation corresponding to the Compendium of Customs Regulations (Resolution N° 1300 of 2006 from the National Customs Service)

- **What are the requirements of the laws regulating the possession, purchase, sale, or processing of timber or wood products; and**

Primary Products from native forest require a Free Transit Guide issued by CONAF (Art. 32 et. seq., Decree 93 / 2008 and article 58 from the General Regulations of Law N° 20.283 on native forest recovery and forest development). According to Article 35° of such Decree, it is mandatory to demonstrate their legal origin for their transportation, using Free TransitGuide, in any stage of the exploitation process of native forest. Free Transit Guide can be required by both: CONAF inspectors and/or Police officers.

Please describe the requirements of these laws in such a way as to narrate the path that legal timber takes from harvest to export, including the agencies and authorities responsible for the relevant steps.



The previous chart describes the full process of transport or transit for Native Forest products with their respective control mechanisms, such as the Technical Analysis (or Management Plan), stock verification, Free TransitGuide, and checkpoints.

Forest law in Chile emphasizes sustainable management of forest resources. The main legislation are the following: the Forest Act N° 4.363/1931 of the Ministry of Territories and Colonization; the Law 20.283/2008, related to the recovery of native forests and degraded soil and forest development; the Decree Law N° 701/1974, that regulates activities on lands preferentially suitable for forestry and degraded lands and encourages forestation; and the Environmental Framework Law N°19.300, that aims to protect native forests, among other objectives.

Regulations are part of the legal framework enforced by tCONAF, as the technical administrative authority in this field. Depending on the law, an administrative authority enforces it through fines or other administrative measures; including stages where the regular courts of justice can resolve processes of enforcement.

- **Control of CITES protected species.**

For the purposes of controlling domestic protected species and CITES protected species, it is prohibited the exit from Chile of all the trees species that have been declared natural monuments, as well as the entry and exit of Chile of all the forest species that are listed in any appendix of the CITES Convention. Exceptionally, specimens of these categories may be exported or imported for scientific purposes prior authorization from and issuance of the CITES Export Permit by the National Forestry Corporation. Therefore, if those requirements are not fulfilled, the offense of smuggling may be established. Moreover, if the submitted documents contain false data, the offense provided for in article 169 of the Customs Law may be also applied.

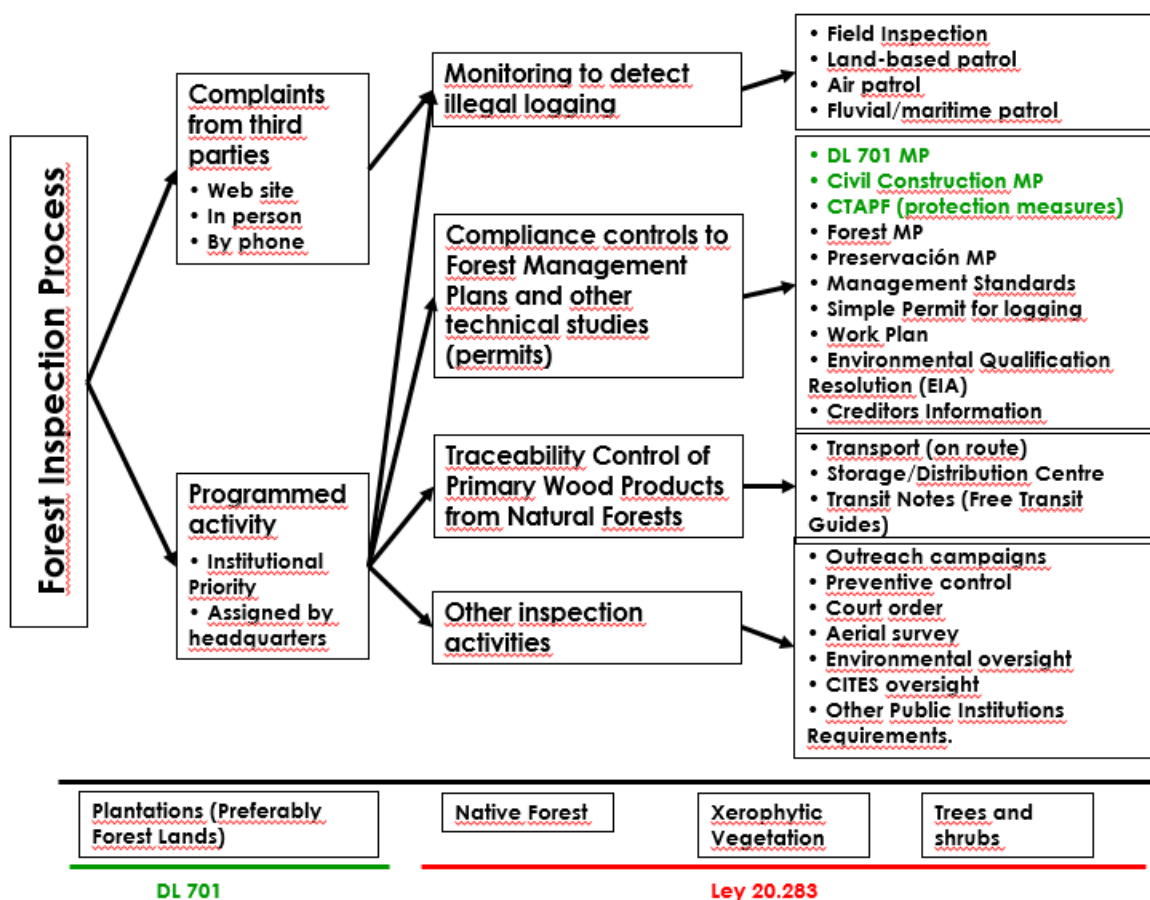
The common offense provided for in article 168 paragraph 2 of the Customs Law, doctrinally known as Crime of Smuggling, punishes the entry into, or exit from, the territory of any good to which imports or exports are prohibited.

In 2016 was enacted the Law N° 20.962 which applies the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES). Its purpose is to incorporate into legislation the prevention, control and sanction to conduct that contravenes the (CITES).

Licences, Permits and Certification Schemes

An authority to harvest or felling license

Any forest harvest activity must be previously authorized by the National Forestry Corporation. For that purpose, a management plan must be submitted by the person concerned, and after its evaluation and approval, the activities consigned on it can be executed.



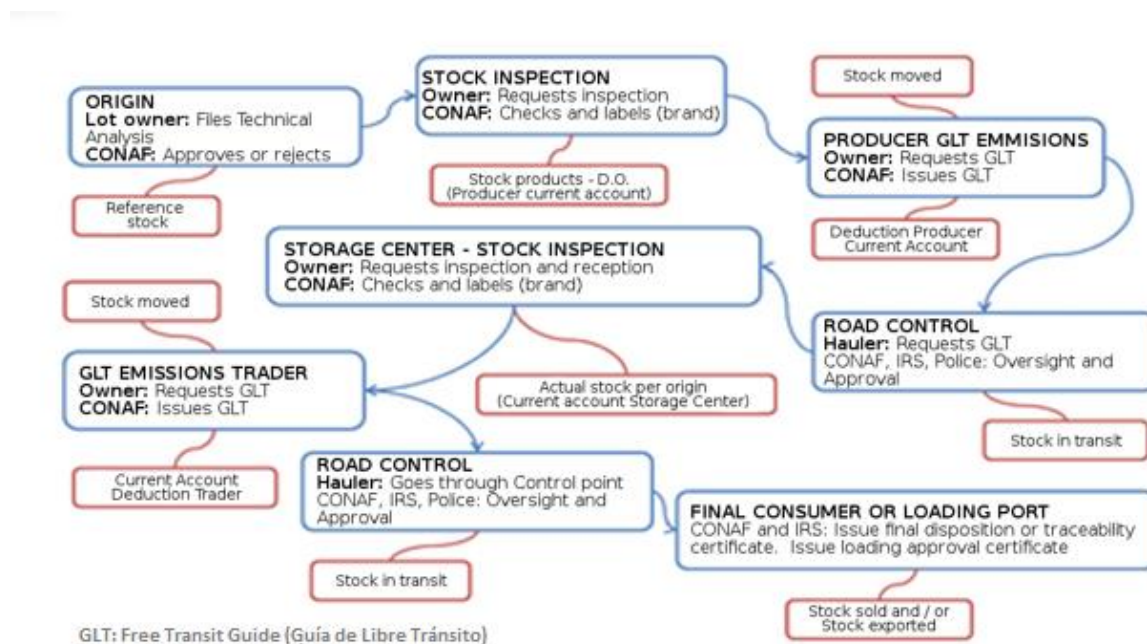
The previous chart summarizes the forest inspection process performed by CONAF, in specific the tools and method by which Plantations, Native Forests, xerophytic formations, isolated trees and shrubs interventions are inspected, according to the main legal bodies that regulates the forestry activities (DL 701 and Native Forest Act).

An authority to transport, process or trade

Primary Products from native forest require a Free Transit Guide issued by CONAF (Art. 32 et. seq., Decree 93 / 2008 – General Regulations of Law N° 20.283 on native forest recovery and forest development). According to Article 35° of such Decree, it is mandatory to demonstrate their legal origin for their transportation, using Free Transit Guide, in any stage of the exploitation process of native forest.

Primary Product from Native Forest shall be understood as the product directly obtained from existing native forest species growing under a natural condition or that are the result of a first processing. The following are the main native forest wood products: The following are the main native forest wood products:

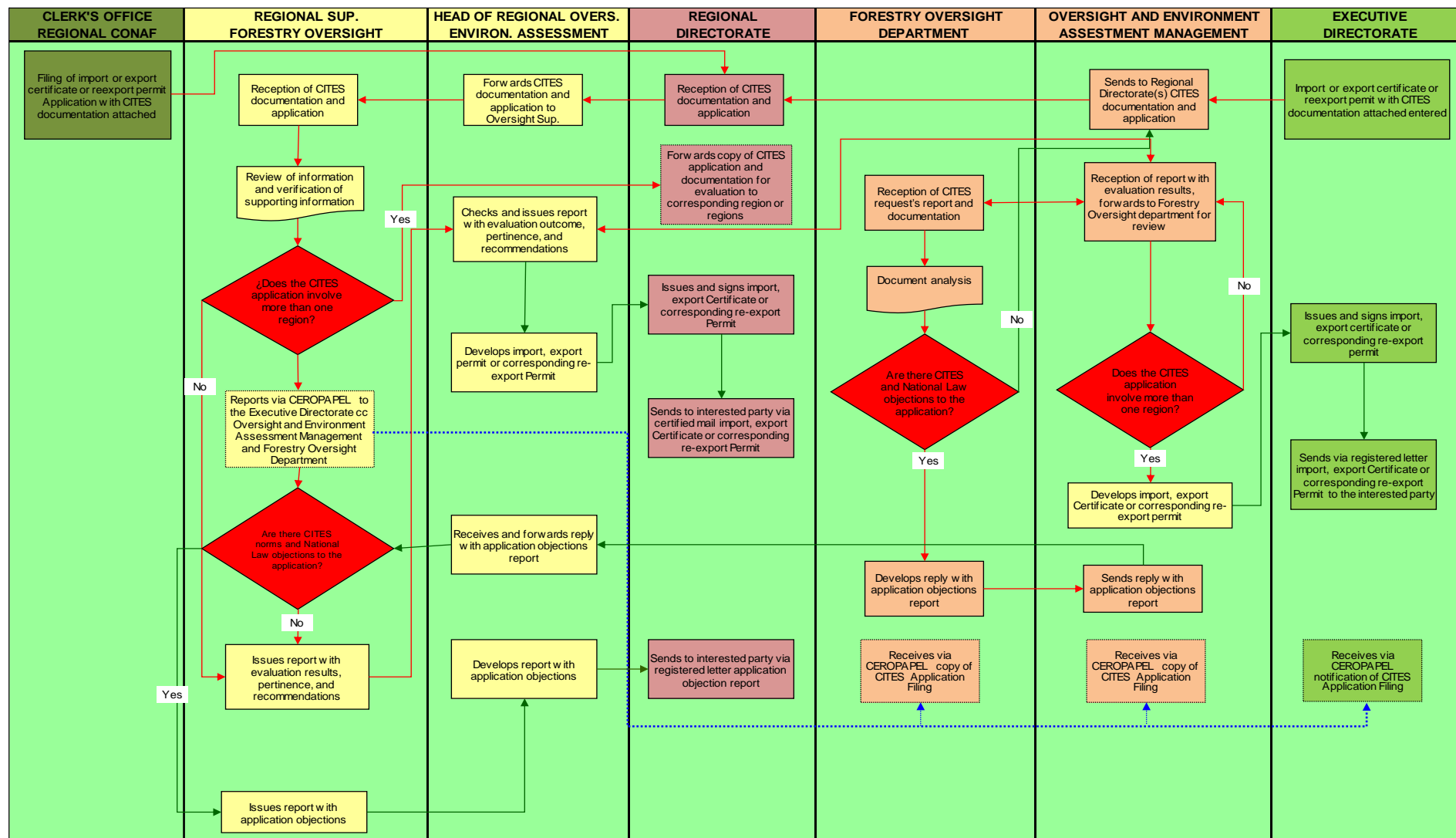
- Pulp logs and sawing logs
- Wood posts, stakes, guides, and cords
- Wood chips with or without bark
- Sawn timber (foundations, boards, planks, covers or linings, semi cylinders, roof shingles, and floorboards)
- Firewood
- Manufactured or sawn railroad ties



The previous chart describes the full process of transport or transit for Native Forest products with their respective control mechanisms, such as the Technical Analysis (or Management Plan), stock verification, Free Transit Guide, and checkpoints.

An export permit, issued by the relevant government authority

Procedure Flowchart to Issue Certificates and CITES Permit



This flowchart shows the internal procedure to file, notify, check, issue, and sign import, export permits and re-export certificates for species included in the CITES Appendices, in compliance with the procedures established in articles III, IV, and V of the CITES Convention.

Other relevant non-government resources

Third Party Certification

In Chile, during 1999, the forestry sector took the first steps towards obtaining certification, first under the ISO 14.000 standard, to promote better environment practices. This certification is a tool to manage the environmental impact of a company allowing the generation of development plan with common criteria on forestry management. At the present time, 1.2 million hectares have been certified under this standard.

The CERTFOR seal was developed in 2002 and recognized by the PEFC in 2003, validating the program of the Forestry Certification Systems.

In 2005, Forest Stewardship Council (FSC) Chile was recognized as a domestic Initiative.

Currently, 70% of the plantations have the Sustainable Forest Management (SFM) certification with CERTFOR and / or FSC seals, while the world average is only 30%.

Those standards apply to areas where exotic species have been planted, (for example, the radiata pine and eucalyptus tree) whose management objective is to provide a large scale industrial supply for products originating from plantations.

The Sustainable Forest Management (SFM) standard for plantations allows owners to demonstrate they comply with the social performance, economic, and environmental requirements demanded by relevant stakeholders and in accordance with sustainability international guidelines.

Certification of Chain of Custody

This standard can apply to any industry processing raw materials from forest, such as lumber yards, wood panels companies, cellulose plants, paper distributors, remanufacturers, wood furniture, containers, packaging, and printing services, among others.

It is a certification standard through which certified material is traced since it leaves the forest until it reaches the final consumer as a final processed product to be used.

For a product to reach the final consumer with the seal, every company involved in its manufacturing must be certified, guaranteeing traceability of sustainable raw materials transferred from one industry to another.

Currently there are 62 certified companies with a CERTFOR / PEFC chain of custody and 142 certified companies with an FSC seal.

Until October, 2014, 1,586,796 planted hectares had been certified with the FSC seal in Chile.

See: <http://www.corma.cl/medioambiente/sustentabilidad-ambiental/certificacion-de-manejo-forestal-sustentable>

Until October, 2016, 1,926,997 hectares is the certified surface area with a CERTFOR seal (PEFC in Chile). See: <http://www.certfor.org/certfor.php?id=3&idrel=31#contenido>

The PEFC Chain of Custody requires all wood originating from controlled sources for which a Due Diligence System (DDS) must be implemented.

It must be pointed out that Chilean System for Sustainable Forest Management Certification (CERTFOR) is a non-profit domestic system created during 2002, with public funds from Chile Foundation with the support of the Production Development Corporation (CORFO, for its acronym in Spanish) and the Forestry National Institute. In 2004, CERTFOR reached its goal of international recognition, homologated by PEFC, the largest forestry certification system in the world. It includes custody chain and sustainable forestry management certifications for plantations and native forests.

Who should I contact for further information?

NOTE: This section should provide details of the relevant government contacts for information on timber legality in **Chile**.

For further information, please see the following website <http://oirs.conaf.cl/> or send e-mail to the following address consulta.oirs@conaf.cl

Attachments

NOTE: This section is for any additional information, including copies of relevant sample documents or link to sites containing further information. Sample documents could include copies of a felling license, permit to harvest, license to harvest, export permit or government endorsed legality certification. Including copies of sample documents will allow APEC member economies, the private sector, and civil society to be aware of what they should look like.

www.conaf.cl/nuestros-bosques/

www.infor.cl