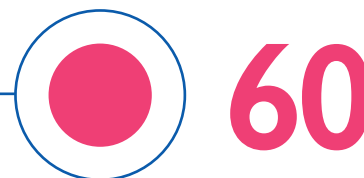


Chile



Summary of Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

BAT Chile was received by various ministries and undersecretaries (vice ministers) to present its data on the illicit trade in cigarettes and the high commercialization of tobacco products in the north of Chile. BAT Chile financed and presented a study raising concern about tax evasion and the need to protect tax collection. Meetings have been held with government officials. Of note including officials from the Ministry of Finance, National Customs Service (SNA), Internal Revenue Service (SII) and Ministry of Interior and Security, as well as meetings with municipalities.

The collaboration of government departments with BAT Chile still exists through the Illicit Trade Observatory, which presents the cooperation between public and private entities to combat this crime.

BAT Chile advocated against the Bulletin 8.866-11 bill in two meetings with authorities from the Ministries of Agriculture and Finance.

Tobacco Industry (TI) representatives have not been invited to be on government delegation to the COPs.

2. INDUSTRY CSR ACTIVITIES

There were no Corporate Social Responsibility activities of BAT Chile recorded as these activities are prohibited by the tobacco law (20,660).

3. BENEFITS TO THE INDUSTRY

No activities to delay or hinder the implementation of tobacco control laws were detected. There have been no new benefits for the TI implemented in Chile, apart from the tax exemption for tobacco products purchased at

Duty Free stores - mainly at airports. Cigarette cartons and packs must carry the corresponding health warning, even if it is superimposed and not printed on each package.

4. UNNECESSARY INTERACTION

BAT Chile collaborates in the Illicit Tobacco Trade Observatory of the National Chamber of Commerce (CNC) with 12 state services or institutions. There is collaboration with the Municipality of Casablanca and other public institutions and private companies; BAT Chile's cigarette factory is located in Casablanca.

5. TRANSPARENCY

Chile has had a transparency law since 2008 that allows anyone to know about meetings, hearings, trips and gifts that private companies have made to authorities or government officials. Through the Transparency and Lobby law platform, the State requires the identification and registration of lobbyists and managers of interest who are persons representing the interests of companies and organizations that relate to officials or authorities of state institutions. BAT Chile lobbyists have registered on these platforms, many of them have had meetings with the authorities.

6. CONFLICT OF INTEREST

BAT Chile no longer has a local Board of Directors, which once included the participation of former authorities or senior officials of previous governments.

7. PREVENTIVE MEASURES

There is no specific code of conduct in Chile on the relationship with the TI or related interest groups, since the Transparency and Lobby laws are sufficient to regulate



their conduct. This transparency is how meetings of the organization of vapers ASOVAPE with public officials and parliamentarians were detected, while the Latin American Network for the Reduction of Harms Associated with Smoking (RELDAT) was presented at a session of the health commission of the Chamber of Deputies and Deputies in December 2022.

Tobacco companies must inform the Internal Revenue Service (SII) on the sales of tobacco products to calculate the taxes they must pay, and the Financial Market Commission (CMF) on their annual balances.

This category showed a slight improvement compared to 2021 due to the circular of the Ministry of Health that prohibits interaction with the TI.

Recommendations

The authors of this report propose the following recommendations to avoid undue influence in relations between the tobacco industry and state officials and estates:

1. Disclose the interference that the TI has had or has tried to have in high-level decisions in public services, to make the population and policy-makers aware of the incorrect actions of both tobacco companies and government officials.
2. Propose Chile to ratify the protocol for the elimination of illicit trade that entered into force worldwide on September 25, 2018, whose objective is to eliminate all forms of illicit trade in tobacco products through a set of measures that countries act in cooperation with each other, so as not to leave room for the tobacco industry to participate in these matters.
3. Publicly reject alliances and agreements with the TI that are not binding or mandatory.
4. Follow up on the actions of ASOVAPE Chile and RELDAT with those public officials and parliamentarians who interact with them given their similarity with the strategies of the tobacco industry.