

Chile

56

Summary of Findings

1. Industry participation in policy development

Representatives of the main international tobacco companies operating in Chile (British American Tobacco [BAT] and Philip Morris International [PMI]) have been received by the Ministry of Finance, the National Customs Service (SNA) and the Internal Revenue Service (SII).

Delegations of the Conference of the Parties (COP) have not been invited or assisted by industry representatives. This item worsened in relation to the Global Tobacco Industry Interference Index 2020 as this year the evidence of interference was more robust.

2. Industry CSR activities

Corporate social responsibility (CSR) activities of tobacco companies are prohibited by law since 2013, so there is no record of such actions.

3. Benefits to the industry

Only tobacco products purchased at Duty Free premises, mainly at airports, are exempt from tax. Cigarette cartons and packs must include the corresponding health warning even if it is overlaid and not printed on each pack.

4. Unnecessary interaction

The meetings of the Observatory of Illicit Trade created by the National Chamber of Commerce (CNC) are permanently attended by BAT Chile representatives together with other private companies and 12 services or institutions of the State.

5. Transparency

Chile has since 2008 a law of transparency that allows anyone to be informed of meetings, hearings, trips and gifts that private companies have made with authorities or government officials. On the other hand, since 2014 there has been the Lobby Law that obliges companies and institutions to register their lobbyists and managers of interest in a special register.

6. Conflict of interest

The current board of the main tobacco company operating in Chile (BAT) is composed entirely of people who have held important positions in ministries and government institutions from previous years.

This item is an improvement over the previous year since no evidence was found of the presence of family members or persons in government positions working for the tobacco companies.

7. Preventive measures

There is no specific code of conduct in Chile for the relationship with the tobacco industry, but it is assumed that the Transparency and Lobby Laws are sufficient.

On the other hand, tobacco companies must inform the SII of sales of tobacco products in order to calculate the taxes to be paid, and to the Financial Market Commission (CMF) on their annual balance sheets.

It worsened slightly as it was found that there is no special government regulation to prohibit donations of any kind by the tobacco industry.





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Recommendations

1. Disseminate the interference that the industry has had or has tried to have in high-level decisions in public services to raise awareness among the population and decision-makers of the wrong acts of both tobacco companies and government officials.
2. Propose an information program and a code of conduct to all government agencies on Article 5.3 and its guidelines on the influence of the tobacco industry on state decisions and policies.
3. Sign the Protocol to Eliminate Illicit Trade in Tobacco Products that entered into force on September 25, 2018, which is an international treaty that aims to eliminate all forms of illicit trade in tobacco products through a set of measures to be taken by countries in cooperation with each other.
4. Propose sanctions and fines for individuals and government authorities who interact unnecessarily with the tobacco industry or who have conflicts of interest with the tobacco industry.
5. Create a multisectoral coordination mechanism at the government level involving ministries, public services and civil society organizations to agree on tobacco control measures in the country, including actions to avoid interference by the tobacco industry.