

Chile

Western Hemisphere / **South America**

CAPITAL Santiago	TERRITORY 743,532 km²	POPULATION (2020) 19,116,209.00	GDP TOTAL (2020) \$252.9B USD	GDP PER CAPITA (2020) \$13,231.70 USD	INCOME GROUP High income
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Convention Implementation



In progress

5th of 31 western hemisphere
4th of 12 South American countries

Prevention



In progress

Criminalization and law enforcement

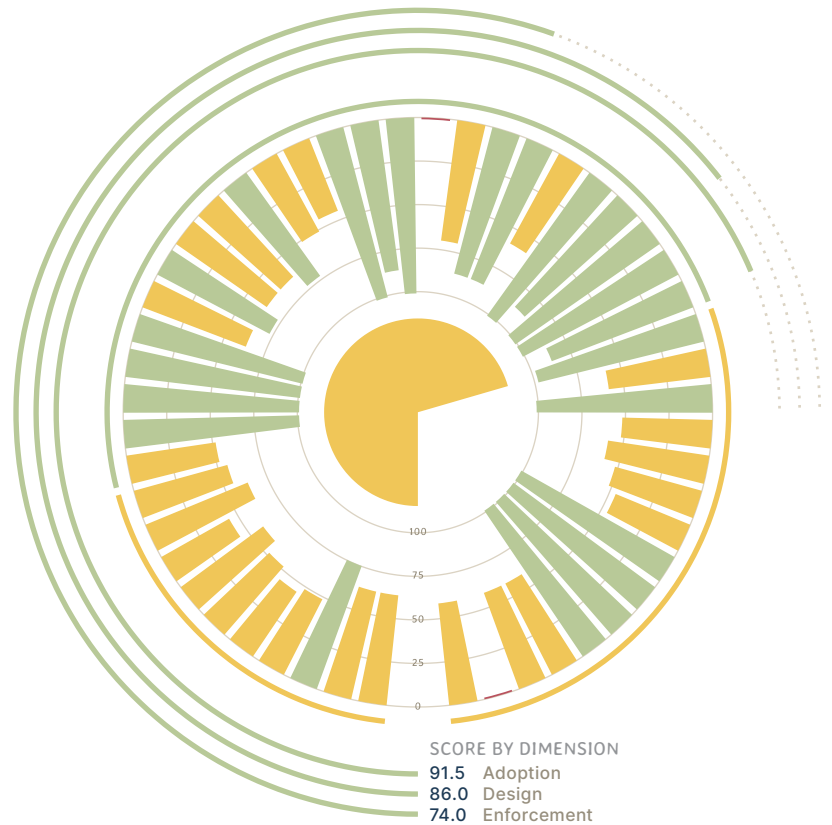


Implemented

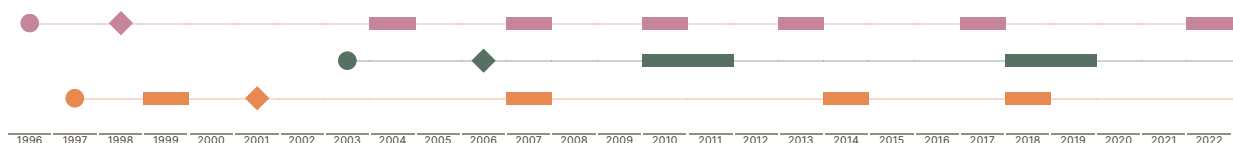
International cooperation



In progress



Anti-corruption conventions timeline



CONVENTIONS

- IACAC - Inter-American Convention Against Corruption
- UNCAC - United Nations Convention against Corruption
- OECD Anti-Bribery Convention

KEY EVENTS

- Signed
- Ratified/acceded
- Review rounds

Prevention

In progress

56.0

✓ Adoption 92.5 ✎ Design 80.0 ⌚ Enforcement 61.7

Standards of Conduct In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Enforcement of Standards of Conduct In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Training of Public Officials Implemented 74.2 ✓ 100.0 ✎ 83.3 ⌚ 83.3	Asset and Conflicts of Interests Declarations In progress 47.7 ✓ 75.0 ✎ 83.3 ⌚ 50.0	Transparency in Government Contracting Core-deficient 43.8 ✓ 100.0 ✎ 50.0 ⌚ 66.7
Elimination of Favorable Tax Treatment In progress 50.8 ✓ 100.0 ✎ 83.3 ⌚ 50.0	Oversight Bodies In progress 57.8 ✓ 100.0 ✎ 100.0 ⌚ 50.0	Measures to Deter Domestic and Foreign Bribery Core-deficient 43.8 ✓ 100.0 ✎ 66.7 ⌚ 50.0	Encouraging Participation by Civil Society In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Study of Other Preventive Measures In progress 54.7 ✓ 50.0 ✎ 83.3 ⌚ 66.7

Criminalization and law enforcement

Implemented

77.3

✓ Adoption 94.0 ✎ Design 87.3 ⌚ Enforcement 81.3

Protection of Those who Report Acts of Corruption In progress 50.8 ✓ 100.0 ✎ 83.3 ⌚ 50.0	Scope Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Jurisdiction: Offense-in-Territory Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Jurisdiction: Offense-by-National Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Jurisdiction: Offender-in-Territory Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0
Passive Public Bribery In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Active Public Bribery In progress 71.9 ✓ 100.0 ✎ 100.0 ⌚ 66.7	Abuse of Functions In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Money Laundering In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Participation and Attempt In progress 71.9 ✓ 100.0 ✎ 100.0 ⌚ 66.7
Active Foreign Bribery In progress 50.0 ✓ 75.0 ✎ 66.7 ⌚ 66.7	Illicit Enrichment Core-deficient 43.8 ✓ 100.0 ✎ 100.0 ⌚ 33.3	Use of State Property Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Illicit Acquisition of a Benefit Implemented 85.9 ✓ 100.0 ✎ 83.3 ⌚ 100.0	Public Embezzlement Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0
Passive Foreign Bribery No implementation 0.0 ✓ 0.0 ✎ 0.0 ⌚ 0.0	Private Bribery In progress 68.8 ✓ 75.0 ✎ 66.7 ⌚ 100.0	Private Embezzlement Implemented 85.9 ✓ 100.0 ✎ 83.3 ⌚ 100.0	Obstruction of Justice Implemented 85.9 ✓ 100.0 ✎ 83.3 ⌚ 100.0	Liability of Legal Persons In progress 57.8 ✓ 100.0 ✎ 100.0 ⌚ 50.0
Statute of Limitations Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Prosecution, Adjudication and Sanctions Implemented 85.9 ✓ 100.0 ✎ 83.3 ⌚ 100.0	Consequences and Compensation Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Cooperation With Law Enforcement Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Asset Recovery Implemented 85.9 ✓ 100.0 ✎ 83.3 ⌚ 100.0

International cooperation

In progress

68.9

✓ Adoption 86.7 ✎ Design 87.8 ⌛ Enforcement 70.0

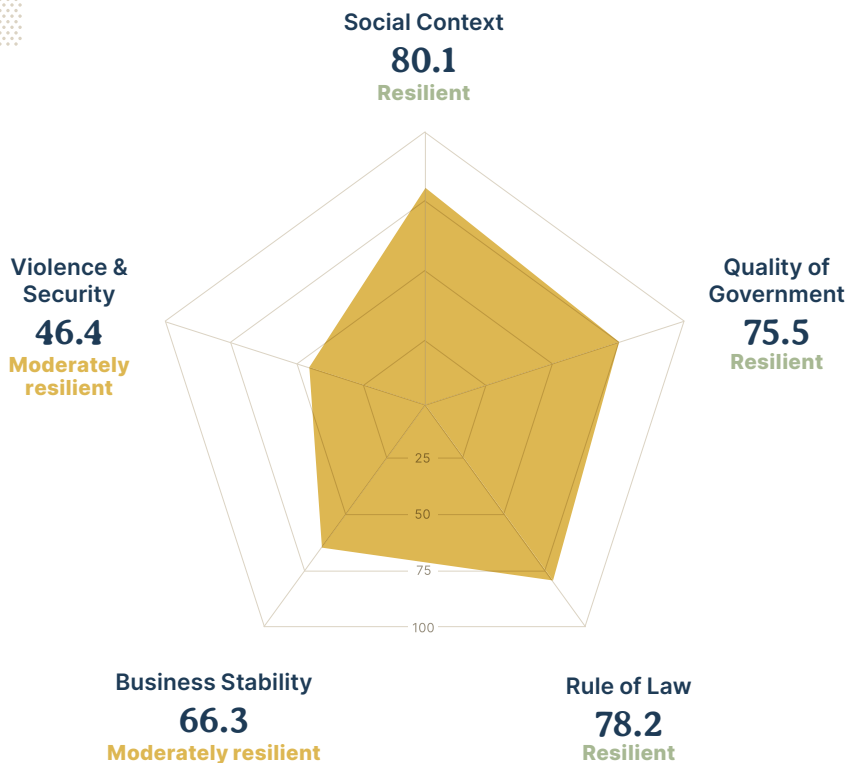


Corruption Resilience

69.3

Moderately resilient

3rd of 31 western hemisphere
2nd of 12 South American countries



Analysis

Convention Implementation

Chile signed the Inter-American Convention Against Corruption (IACAC) on March 29, 1996, and ratified it on September 22, 1998. It is a State Party to the Follow-Up Mechanism for the Implementation of the Inter-American Convention against Corruption (MESICIC) since June 4, 2001. The country also signed the United Nations Convention Against Corruption (UNCAC) on December 11, 2003, and subsequently ratified it on September 13, 2006. Chile is also party to the OECD Anti-Bribery Convention (OECD-ABC), having signed it on December 17, 1997, and deposited the instrument of ratification on April 18, 2001. Accordingly, Chile has undergone five rounds of review under MESICIC, one round of review under the UNCAC review mechanism, and four phases of evaluation by the OECD Working Group on Bribery.

Chile's record in implementing its commitments to IACAC, UNCAC, and OECD-ABC exhibits a number of successes and very few failures. With an overall score of 70.5, the measures adopted place the country at the higher point of compliance with international norms, surrounded by Mexico (69.7), Brazil (69.8), Peru (72.3), and Colombia (74.2). Despite achieving higher success in regard to criminalization and international cooperation (as is the case throughout the region) the large majority of preventive measures are found to be in progress or implemented; furthermore, contrary to the regional pattern, Chile evidences higher performance in the implementation of measures pertaining to criminalization and law enforcement rather than international cooperation.

The prevention of corruption is undergoing, classified as "in progress" by its average score and with prominent measures given a score above 50—standards of conduct and their enforcement, the state of oversight bodies, and encouraging the participation of civil society, among others. Indeed, almost three quarters of all preventive measures are considered to be in progress, and the training of public officials in the country is considered to be implemented, even if mildly (74.2). Within this section, only two measures fall far from the target range—transparency in government contracting and the actions to deter domestic and foreign bribery related to accounting regulations—both of which receive a score of 43.8. These measures represent one third of all "core-deficient" scores given to Chile's implementation of international commitments, again reflecting the generally satisfactory distribution of progress.

In terms of criminalization of acts of corruption and related offenses, Chile shows mostly satisfactory results. The country is found to have successfully implemented several key commitments set out by the three conventions, criminalizing and enforcing the illicit acquisition of a benefit (i.e., influence trading), embezzlement in the public and private sectors, the obstruction of justice, as well as providing a long statute of limitations and broader consequences—such as the rescinding of contracts and obtaining compensation—for the commitment of corrupt offenses (as required by UNCAC), among others. Furthermore, most measures that are evaluated as remaining in progress—with actions against the active bribery of foreign officials (50.0) and the liability of legal persons (57.8) being exceptions here—received promising scores and are mostly penalized. However, there is a lack of sufficient information to allow for a comprehensive assessment. The measures thus affected include key commitments such those pertaining to active and passive bribery in the public sector, the abuse of functions, money laundering, and bribery in the private sector. While these results and the average section score reflect the fact that Chile can be said to have largely implemented its commitments to the criminalization of corruption, a single issue remains—the criminalization of illicit enrichment, a commitment to which the country's efforts are still considered deficient for the aims of the conventions.

Chile is found fully compliant in its commitments to establish jurisdiction over the offenses covered by the conventions, including those that have been committed inside its territory, committed by a national, or when the offender is present in its territory, among other required forms. The country's ongoing efforts to implement its commitments regarding international cooperation is reflected in less than half of all measures within this section receiving an "implemented" score of various degrees. However, only one measure remains deficient or unimplemented: the regulation and application of special investigative techniques such as electronic surveillance, undercover operations, and others.

Corruption Resilience

Although Chile's social context indicator score decreased by 6.3 points from 2019 to 2020, the country's current score (80.1) continues to exceed the Western Hemisphere average by 15.2 points. Since 2010, Chile has consistently held high social context indicator scores—remaining within the 75th percentile for the Western Hemisphere region

throughout the decade. The country's score is largely attributed to guaranteed and protected civil liberties, political rights, and media freedom.

In terms of the quality of governance and institutions, Chile's indicator score falls within the top percentile and exceeds the Western Hemisphere regional average by 24.9 points, despite a 0.2-point decrease between 2019 and 2020. Over the last decade, the country's scores have varied between its highest score of 78.4 in 2010, and its lowest score of 74.3 in 2012. Chile's 2020 score—75.5—is largely attributed to the country's efficiency in ensuring fundamental rights, upholding checks on government power and maintaining impartial bureaucracy.

In 2020, Chile's rule of law indicator score (78.2) was the highest within the Western Hemisphere region. The country's score increased by 0.6 points from the previous year and exceeded the regional average by 27.1 points. Throughout the decade, Chile has been a top performer in the rule of law indicator—achieving its highest score of 78.2 in 2020 and its lowest

score of 73.1 in 2018. The country's high score is largely the result of an independent and effective judiciary, which is protected by the Chilean constitution and resistant to political pressures.

The business stability indicator for Chile decreased by 3.0 points between 2019 and 2020. Despite this decrease, Chile's score exceeds the Western Hemisphere average by 15.8 points and remains within the 75th percentile for 2020. Throughout the decade, Chile was consistently high-ranking—reaching its highest score of 76.2 in 2014 and its lowest score of 66.3 in 2020. Chile's business stability score is largely attributed to a free business environment with effective regulations and policies.

Unlike previous indicators, Chile's violence and security scores are the worst performing within the country. Over the last ten years, the country's score has varied within a range of 36.7 points—achieving their highest score of 83.1 in 2015 and their lowest score of 46.4 in 2020.

Transparency

MAIN REPORTING NGO

Chile Transparente

REPORT DATE	REVIEW YEAR	DOCUMENT REVIEWED	LANGUAGE
Oct-2011	2010-2011	Executive Summary	English

Did the government make public the contact details for the country focal point? ✘ No

Was civil society consulted in preparation for the self-assessment? ✘ No

Was civil society invited to provide information to the official reviewers? ✔ Yes

Was the self-assessment published online or provided to CSOs? ✘ No

Assessment of the Review Process Civil Society Parallel Reports

Source: UNCAC CIVIL SOCIETY COALITION

The UNCAC parallel review report for Chile was authored by Chile Transparente, the Chilean chapter of Transparency International, during the first review cycle which took place between 2010 and 2011. The review assessed Chile's compliance in the implementation of articles found within chapters III and IV of the UN Convention against Corruption and mainly focused on articles 15, 16, 17, 23, 26, 32, 33, and 46. The authors reported that the availability of information, namely in regard to locating legislation related to UNCAC was relatively straightforward—all of Chile's laws are published and accessible online (www.leychile.cl). However, locating statistics related to the prosecution of UNCAC relevant offenses or information on the details of these cases proved to be difficult. The NGO author requested information using the Transparency Law, yet the resulting data they obtained was limited or incomplete.

The report's findings highlighted several key details. In regard to the country's legal framework, the authors found that Chile was largely compliant with the aforementioned UNCAC provisions. However, major deficiencies were found within several areas, namely those of sanctions, whistleblower protections, and bank secrecy. The organization also noted there were no mechanisms within the legal framework to prevent conflicts of interest. In terms of the country's enforcement system, the report found that there was a general lack of capacity to sufficiently

conduct financial investigations. To mitigate these concerns, Chile Transparent noted several recommendations for priority action by state officials. The organization called for the implementation of quicker probity and transparency agendas, and enhanced training for public officials. The recommendations also called for the introduction of an easily accessible online complaint mechanism which guaranteed no retribution against those who utilize it.