

INTERIM AGREEMENT ON TRADE BETWEEN THE EUROPEAN UNION AND THE REPUBLIC OF CHILE

Joint Minutes

1st Meeting of the EU-Chile

Sub- Committee on Customs, Trade Facilitation and Rules of Origin

Videoconference, 20 October 2025

- ***Adoption of the Agenda***

- (1) The new Interim Agreement on Trade: Customs, Trade Facilitation and Rules of Origin aspects.

The EU welcomed to the first meeting of the Sub-committee on Customs, Trade Facilitation and Rules of Origin under the new EU-Chile Interim Trade Agreement (ITA), which came into force on 1 February 2025.

The EU highlighted that the Interim Trade Agreement greatly modernises and expands the customs provisions from the 2002 Association agreement. The EU underlined that the CTF chapter brings a complete set of commitments to facilitate and better control bilateral trade, and includes a robust article on customs cooperation, opening for a possible deepening of the EU/Chile bilateral cooperation in this area.

- ***Customs Cooperation and Trade Facilitation:***

- (2) Recent developments on Customs legislation and procedures in the EU.

The EU provided presentations on developments to its customs legislation and procedures, including:

- (a) Presentation on the EU customs reform

The EU gave a presentation on the proposal for a reform of the Union Customs Code, as it reaches the last stages of interinstitutional discussions. Chile expressed interest in a follow up exchange on the management of e-commerce.

- (b) Presentation on the WCO HS modernisation

The EU gave a presentation on the proposal for WCO HS modernization and highlighted the importance of not losing the momentum. Chile welcomed the aim of simplification and acknowledged the increased complexity when classifying and the number of classification conflicts. Chile further noted that in principle they could support the proposal but pointed out the difficulty of combining simplicity and concepts such as traceability.

- (c) Presentation on the advance cargo information system, Import Control System 2 (ICS2).

The EU gave a presentation on the implementation of its Import Control System 2 (ICS2), providing an overview of the current progress and overall functionality. It

highlighted the need for accurate and complete advanced cargo information from Economic Operators, which is key to properly perform risk analysis.

(3) Recent developments on Customs legislation and procedures in Chile.

Chile provided an overview of recent reforms enacted through Law N° 21.723, which modernizes customs and tax procedures. The reform strengthens coordination between the Internal Revenue Service and National Customs Service and introduces electronic processes for declarations and risk management.

It also expands the VAT system to include digital platforms and clarifies that certain goods acquired from abroad are considered located in Chile for VAT purposes. The de minimis threshold was updated, exempting imports under USD 500 from customs duties, while maintaining VAT obligations for all imports. Chile explained that these changes aim to improve tax equity and respond to the growth of cross-border e-commerce, ensuring fair treatment of domestic and foreign suppliers.

(4) EU's Free Trade Agreements (FTA) Negotiations.

The EU provided general comments on the state of play of the EU preferential trade agreements. Several negotiations are ongoing with third countries, including India, Thailand, the Philippines, Malaysia and the United Arab Emirates. Progress towards the conclusion of agreements with Mercosur, Mexico and Indonesia were also mentioned.

Details of these negotiations and agreements are available at the following link:
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(5) Chile's Free Trade Agreements (FTA) Negotiations

Chile is negotiating an Association Agreement with India, as well as with the Philippines, with which the discussions started in 2025.

(6) EU information point: Customs contribution to the EU roadmap to fight against drug trafficking and organised crime

The EU presented the customs-related aspects of the European Ports Alliance, a flagship initiative of the EU roadmap to fight drug trafficking and organised crime, aimed at strengthening security in all EU ports. Reference was made to the work carried out in 2024 in the dedicated European Ports Alliance - customs project group and the ensuing launch of the EU Customs Alliance for Borders (EUCAB) expert team.

Chile welcomed the presentation and suggested a follow up exchange on this initiative.

- **Rules of origin**

- (7) Overview of implementation for the new rules of origin under the Interim Trade Agreement

The EU and Chile discussed and agreed on the general flawless implementation of the rules of origin under the ITA, which was facilitated by the excellent cooperation between their customs authorities on rules of origin, before and after the entry into force of the agreement on 1 February 2025. The few isolated cases that raised concerns in the application of rules of origin were addressed successfully (see also AOB, points 10(a) and (b)).

- (8) Verification of proofs of origin issued under the Association Agreement

The EU and Chile discussed the verification of proofs of origin issued under the 2002 EU-Chile Association Agreement, which has continued to be conducted in a satisfactory manner.

- **Mutual Administrative Assistance**

- (9) Update of the EU and Chile Contact Points for the application of the Protocol to the Interim Agreement on Trade between the EU and Chile on Mutual Administrative Assistance (MAA) in Customs Matters.

The EU stressed the importance of the protocol on Mutual Administrative Assistance in Customs Matters contained in the Interim Trade Agreement, a strategic instrument to foster mutual trust and ensure the integrity of trade. The EU also highlighted that, although without the benefit of hindsight to draw conclusion on the overall functioning of the MAA mechanism, the exchange of contact points and the level of collaboration can be considered satisfactory.

- **Any Other Business**

- (10) Clarifications on origin-related matters raised by Chile:

- (a) Requirement of REX number for Chilean exporters:

Chile recalled that it has received reports from Chilean traders indicating that some EU customs brokers and buyers were requesting Chilean exporters to provide a REX number for their statements on origin. Chile pointed out that the REX number is mandatory for the EU exporters, while the equivalent number for Chilean exporters is the RUT (Rol Único Tributario).

The EU noted that the topic was already raised by Chile and addressed by the EU at technical level in August 2025. The EU confirmed to Chile that the information on ITA and its guidance on rules of origin was widely distributed in the EU and that there was no indication of ongoing problems in the application of the rules under ITA. Nevertheless, based on the concerns reported by Chile, an EU Member State sent a further reminder about the applicable rules to the colleagues in the field. Chile was invited to provide additional information to address, as necessary, any outstanding issues.

(b) Origin declaration on export documents:

Chile mentioned that some Chilean exporters have indicated that EU authorities require the origin declaration to appear on an invoice stamped by the Chilean tax authority (SII). However, in accordance with the Agreement, the declaration of origin may be included on any commercial document related to the exportation.

The EU recalled that this issue was successfully addressed during the exchanges mentioned under point 10(a) and invited Chile to provide additional information in case of any outstanding issues.