



SUBSECRETARÍA
DEPTO. ADMINISTRATIVO
ABASTECIMIENTO Y CONTRATOS
MBV / PJO / KVC / CMC

MINISTERIO DE HACIENDA

29 MAYO 2013

TOTALMENTE TRAMITADO
DOCUMENTO OFICIAL

E5458/2013

**AUTORIZA TRATO DIRECTO Y APRUEBA CONVENIO
CON EL BANCO INTERNACIONAL DE
RECONSTRUCCION Y FOMENTO (BANCO MUNDIAL).**

SANTIAGO, 23 MAY 2013

EXENTO Nº 247

VISTOS:

Lo dispuesto en el Título III "De la Probidad Administrativa" y el artículo 24 del D.F.L. Nº 1/19.653, de 2001, que fija texto refundido coordinado y sistematizado de la Ley Nº 18.575, Orgánica Constitucional de Bases Generales de la Administración del Estado; la Ley Nº 19.886, de Bases sobre contratos administrativos de suministro y prestación de servicios, de 2003 y su Reglamento aprobado por Decreto Supremo Nº 250, de 2004; la Resolución Nº 1.600, de la Contraloría General de la República, de 2008; los Decretos Supremos Nº 309, de 2006, Nº 384, de 2009 y Nº 1.088, de 2011, de esta Secretaría de Estado; el artículo 5, de la Ley Nº 8.403, que aprueba el convenio que crea el Banco Internacional de Reconstrucción y Fomento; el Decreto Nº 1.009, de 1978, de esta Secretaría de Estado; la Resolución Exenta Nº 160, de 2007, de esta Secretaría de Estado; la Ley Nº 20.641, de Presupuestos del sector público para el año 2013; y,

CONSIDERANDO:

Que, desde el año 1945, la República de Chile es miembro del Banco Internacional de Reconstrucción y Fomento, también denominado "Banco Mundial";

Que, de acuerdo a lo dispuesto en el artículo 5 de la Ley Nº 8.403, de 1945, las relaciones entre el Gobierno de Chile y el Banco Internacional para la Reconstrucción y el Desarrollo, se mantendrán por intermedio del Ministerio de Hacienda:

Que, el Estado de Chile se encuentra abocado a la necesidad de desarrollar un programa de evaluación de la capacidad institucional existente y el diseño de un plan estratégico para fortalecer sus operaciones de manejo de inversión y deuda de acuerdo a las mejores prácticas internacionales, para lo cual el Ministerio de Hacienda encargó al Banco Mundial en 2008 un análisis del procedimiento de emisión de deuda, en esta ocasión corresponde solicitar un estudio del procedimiento de inversión de los excedentes estacionales de caja de la Cuenta Única Fiscal para que proponga mejoras a la gestión de los riesgos operacionales inherentes a dicho procedimiento;

Que, dada las características y la connotación de dicha asesoría, se ha estimado indispensable por el Gobierno para la ejecución eficiente de

las tareas asignadas al Ministerio de Hacienda, contratar directamente los servicios de asesoría del Banco Mundial para cumplir los objetivos antes descritos por la especial confianza y seguridad que brinda en la prestación del servicio requerido, por la calidad de los expertos que designa para efectuar las asesorías referentes a las finanzas públicas y por su conocimiento de las prácticas implementadas por diversos países, entre ellos de la OCDE;

Que, para la ejecución eficiente de las funciones del Ministerio de Hacienda, existe la necesidad de contar con los mencionados servicios de asesoría para evaluar las reformas para el manejo del riesgo operacional implementadas por las autoridades, con referencia al plan de acción recomendado en la misión anterior, analizar el riesgo operacional remanente y efectuar las recomendaciones adecuadas y presentar un plan de acción para fomentar nuevas mejoras en el manejo de caja del Fisco de Chile.

Que, dadas las características y la connotación de dicha asesoría, ésta no es posible de lograr por medio de los recursos humanos propios disponibles del Ministerio de Hacienda;

Que, el artículo 8, de la Ley de Bases Sobre Contratos Administrativos de Suministro y Prestación de Servicios, N° 19.886, de 2003, estipula los casos en que procederá la licitación privada o el trato o contratación directa en los casos fundados que se señalan,

Que, el Artículo 8, de la Ley de Bases Sobre Contratos Administrativos de Suministro y Prestación de Servicios, N° 19.886, de 2003, en su letra "g)", contempla, la procedencia del trato directo, "Cuando por la naturaleza de la negociación, existan circunstancias o características del contrato que hagan del todo indispensables acudir al trato o contratación directa, según los criterios que o casos que señale el reglamento de la Ley", siendo este el caso.

Que, el Reglamento de la Ley N° 19.886, aprobado mediante Decreto Supremo N° 250, de 2004, en su Artículo 10, numeral 7, letra "d)", señala: "Si se requiere contratar consultorías cuyas materias se encomiendan en consideración especial de las facultades del Proveedor que otorgará el servicio o ellas se refieran a aspectos claves y estratégicos, fundamentales para el cumplimiento de las funciones de la entidad pública por lo cual no pueden ser sometidas a un Proceso de Compras público".

Que, a su turno, la letra "h)" del citado numeral 7, señala: "Cuando el conocimiento público que generaría el proceso licitatorio previo a la contratación pudiera poner serio riesgo el objeto y la eficacia de la contratación de que se trata".

Que, el Ministerio de Hacienda, a través de su Secretaría y Administración General, cuenta con las disponibilidades presupuestarias para financiar los costos que irroga la referida asesoría.

RESUELVO:

1°.- Apruébase el convenio suscrito por la **Secretaría y Administración General del Ministerio de Hacienda**, R.U.T. N° 60.801.000-9, y el Banco Internacional de Reconstrucción y Fomento, también denominado "Banco Mundial" y, cuyo texto es el siguiente:

CONTRATO DE SERVICIOS DE ASESORÍA ENTRE

EL MINISTERIO DE HACIENDA

Y

EL BANCO INTERNACIONAL DE RECONSTRUCCIÓN Y FOMENTO

Contrato celebrado el 15 de marzo de 2013 entre la República de Chile, representada en este acto por el Ministerio de Hacienda (en adelante, el Ministerio) y el Banco Internacional de Reconstrucción y Fomento (en adelante, el Banco).

Por cuanto, el Ministerio ha solicitado al Banco que preste servicios de asesoría al Ministerio conforme se describe detalladamente en el Anexo del presente contrato, y el Banco ha convenido en prestar tales servicios de conformidad con los términos y condiciones estipulados en el presente contrato.

Por lo tanto, las partes en el presente contrato acuerdan lo siguiente:

Definiciones

1. En este contrato, las expresiones que se indican a continuación tienen los significados siguientes:

- a) "Servicios de Asesoría" se refiere a todas las actividades que llevará a cabo el Banco, conforme se establece en el Anexo del presente contrato y las modificaciones que pudieran introducirse al mismo por mutuo acuerdo de las partes y conforme lo autorice "el Ministerio" a través del acto administrativo apropiado.
- b) "Consultores" se refiere a los especialistas Elizabeth Currie y Mike Williams, los funcionarios asignados por el Banco para prestar los Servicios de asesoría que constituyen el objeto del presente contrato, u otros funcionarios del Banco que se acuerden entre el Banco y el Ministerio.
- c) "Asesores" se refiere a los profesionales que son especialistas en las esferas comprendidas en los Servicios de Asesoría.

Disposiciones generales

- 2. La designación por el Banco de los Consultores que han de prestar los Servicios de Asesoría solicitados por el Ministerio no tendrá carácter exclusivo y no impondrá restricción alguna a Chile o al Ministerio en lo que respecta a la contratación de otros Asesores en las mismas áreas o en otras conexas.
- 3. Al prestar los Servicios de asesoría, el Banco trabajará en estrecha colaboración con los funcionarios designados por el Ministerio y con aquellas otras personas u organismos que sean designadas por Chile.
- 4. El Banco asume el compromiso de que los Consultores emprendan una misión a Santiago (Chile) en abril de 2013 como parte de los Servicios de asesoría. No obstante, en caso de existir razones bien fundadas de descontento con la labor de alguno de los Consultores, el Ministerio podrá solicitar al Banco su reemplazo.
- 5. Chile otorgará a los Consultores el estatus, las inmunidades y los privilegios establecidos en el Convenio Constitutivo del Banco y otras normas pertinentes del derecho internacional.
- 6. El Banco prestará los Servicios de asesoría con el mismo grado de eficiencia y diligencia que emplea para llevar a cabo actividades de índole semejante por cuenta propia y en circunstancias similares.

7. El Banco mantendrá registros adecuados de los asuntos relacionados con los Servicios de asesoría, de conformidad con sus prácticas habituales de mantenimiento de registros, y proporcionará al Ministerio la información que éste tenga motivos justificados para solicitar con respecto a los Servicios de asesoría.

Confidencialidad

8. a) Los informes, estudios, análisis y otros documentos elaborados por los Consultores y/o el Banco en relación con los Servicios de asesoría, se prepararán para uso exclusivo de Chile.

b) Sin el consentimiento previo por escrito del Ministerio, el Banco no divulgará, durante el período de vigencia del presente contrato y durante dos años después de su vencimiento, ninguna información relativa a los Servicios de asesoría que sea confidencial o esté protegida por derechos de propiedad; con la salvedad de que el Banco, mediante notificación previa al Ministerio, tendrá derecho a divulgar a terceros las condiciones generales del presente contrato de acuerdo con la política del Banco de acceso a la información a fin de corregir alguna declaración privada o pública realizada por Chile con respecto a los Servicios de asesoría proporcionados por el Banco.

Período de vigencia

9. Por razones de buen servicio, la labor comprendida en el marco del presente contrato comenzará en la fecha mencionada en primer término, no obstante que el contrato entrará en vigor en la fecha en que finalice la tramitación del acto administrativo por el cual el Ministerio lo aprueba.

Terminación y Vencimiento

10. Tanto el Ministerio como el Banco podrán terminar el presente contrato mediante notificación cursada a la otra parte con 30 días de antelación. Tras recibir la notificación, las partes adoptarán todas las medidas que correspondan para finalizar, de manera ordenada, las actividades en curso en la fecha en cuestión relacionadas con los Servicios de asesoría, y ultimarán con celeridad todas las cuestiones pendientes. El pago del trabajo contratado se realizará sobre la base del trabajo efectivamente realizado, conforme lo verifique el Ministerio.

11. El presente contrato vencerá en la fecha anterior (i) del 31 de diciembre de 2013 o (ii) de pago completo por parte del Ministerio por los servicios de asesoría descritos en este Acuerdo.

12. Independientemente de la terminación o vencimiento del presente contrato, las disposiciones relativas a i) la obligación en materia de confidencialidad e indemnización estipulada en las secciones 8 y 14, respectivamente, del presente contrato, y ii) la obligación del Ministerio de pagar al Banco el trabajo relacionado con los Servicios de asesoría prestados satisfactoriamente antes de la terminación o vencimiento del presente contrato, permanecerán en plena vigencia y efecto.

Pagos y gastos de viaje

13. a) El pago del trabajo de consultoría se basará en los honorarios cobrados habitualmente por el Banco para prestar servicios de asesoría técnica en materia de gestión de la deuda pública. Las cantidades, moneda y oportunidad de los pagos que efectuará el Ministerio al Banco en relación con los Servicios de asesoría serán los especificados en el Anexo.

b) El Ministerio pagará al Banco los siguientes honorarios: i) en el caso de Elizabeth Currie, US\$1.500 por día, y ii) en el caso de Mike Williams, US\$1.200 por día.

c) El Ministerio reembolsará al Banco los gastos de viaje y alojamiento efectivamente incurridos por los Consultores. A los efectos de determinar las sumas que el Ministerio deberá reembolsar al Banco respecto de otros gastos de viaje incurridos por los Consultores, se aplicará el viático usual establecido por el Banco.

d) El costo total máximo de los Servicios de asesoría ascenderá a US\$45.000. Este costo total máximo de los Servicios de asesoría incluirá el tiempo de los Consultores (20 días en total) y todos los gastos relacionados con el viaje. No obstante lo anterior, el costo total de los Servicios de asesoría podría ser inferior si efectivamente se dedican menos días al trabajo.

Indemnización

14. De conformidad con las normas generales, el Ministerio indemnizará al Banco y a los Consultores y los liberará de responsabilidad respecto de las pérdidas, gastos, daños y perjuicios y obligaciones (incluyendo costos y honorarios legales razonables), que resulten de sus actos u omisiones, transacciones, deberes u obligaciones bajo el presente contrato, salvo en aquellos casos en que los actos u omisiones, transacciones, deberes u obligaciones constituyan negligencia o conducta indebida del Banco o los Consultores.

Solución de diferencias

15. Toda controversia que surja del presente contrato o respecto del mismo y que no se resuelva por acuerdo entre las partes será resuelta en última instancia mediante arbitraje, de conformidad con el Reglamento de Arbitraje de la Comisión de Naciones Unidas sobre Derecho Mercantil Internacional (CNUDMI), vigente en la fecha del presente contrato. En caso de discrepancia entre el Reglamento de Arbitraje de la CNUDMI y los términos de este contrato, prevalecerán estos últimos.

Renuncia a inmunidad

16. Ninguna de las condiciones de este contrato, o en relación con él, constituirá o se considerará que constituye una renuncia a los privilegios e inmunidades del Banco o del Ministerio.

Notificaciones

17. Toda notificación requerida o permitida en virtud del presente contrato se cursará por escrito y se considerará que ha sido debidamente efectuada cuando haya sido entregada en mano o enviada por correo, telegrama, cable, télex o fax a las personas que firman el presente contrato, en las direcciones indicadas a continuación o en otra dirección que las partes pudieran haber notificado mediante un procedimiento similar. En el caso de las notificaciones enviadas por correo certificado, se considerará que han sido efectuadas cinco días después su envío. La recepción de toda notificación enviada por fax o correo electrónico, se deberá confirmar por correo electrónico o por fax.

18. A los efectos del presente contrato, las partes han constituido los siguientes domicilios:

"El Ministerio"

Ministerio de Hacienda, Teatinos 120, piso 12, Santiago, CP 8340487, Chile
Fax: (56-2) 6873323

"El Banco"

Banco Internacional de Reconstrucción y Fomento
1818 H Street, N.W.
Washington, D.C. 20433, EE. UU.
Fax: (202) 477-6391

El presente contrato se firmará en inglés, si bien las partes han acordado una versión en español.

EN FE DE LO CUAL, las partes, actuando por medio de sus representantes debidamente autorizados al efecto, han dispuesto que se firme este contrato en sus nombres respectivos, en la fecha antes consignada.

MINISTERIO DE HACIENDA

Por:
Representante autorizado

BANCO INTERNACIONAL DE RECONSTRUCCIÓN Y FOMENTO

Por:
Representante autorizado

ANEXO

Servicios de Asesoría

I. Antecedentes¹

En octubre de 2011, una misión del Banco Mundial compuesta por Elizabeth Currie (FAB Treasury) y Mike Williams (consultor) visitó Santiago a solicitud de las autoridades chilenas. El Ministerio de Hacienda (MH) solicitó al Banco su evaluación y recomendaciones acerca de las dimensiones de riesgo operacional de un área específica de manejo de caja, en concreto de la inversión de los excedentes de caja. Más específicamente, se solicitó a la misión que se enfocara en los siguientes objetivos: i) analizar íntegramente el procedimiento de inversión; ii) evaluar el riesgo operacional del procedimiento de inversión; iii) informar a las autoridades acerca de las mejores prácticas en otros países, y iv) efectuar recomendaciones para mejorar el procedimiento de inversión y reducir el riesgo operacional.

La misión constató que durante 2011 el recientemente creado Comité de Coordinación del MH había adoptado una nueva política de inversión de los excedentes de caja, la cual permitía un amplio rango de inversiones en el mercado local, con el objeto de reducir la exposición a un único banco y obtener un mayor retorno. En el mercado internacional, las inversiones también podían estar distribuidas entre diversos bancos de alta calificación crediticia o bien en bonos del Tesoro de los Estados Unidos. Las directrices especificaban, para ambos mercados, local e internacional, clasificación de riesgo mínima, clases de activos elegibles, límites por emisor, especificaciones para las garantías o colateral (por ejemplo para los pactos), disposiciones acerca de la custodia, comparadores – *benchmarks*- de desempeño y requerimientos de información o reportes.

Tanto la Dirección de Presupuestos (DIPRES) como la Tesorería General (TGR), las otras dos entidades involucradas en el procedimiento de inversión de excedentes de caja, habían tratado importantes riesgos operacionales. Habían establecido buenos procedimientos de confirmación y reconciliación, y los procedimientos clave eran revisados por una segunda persona y en algunos casos por un administrador senior. Sin embargo, se mantenían algunas preocupaciones en relación con la formalidad de algunos de los procesos, los sistemas de interconexión y respaldo así como la auditoría.

Más importante, la misión encontró que la responsabilidad por la inversión de los excedentes de caja estaba dispersa entre las tres entidades de Gobierno, con algunos traslapes. DIPRES era responsable por las funciones de *front office*, incluyendo estimar el monto del balance de caja a invertir diariamente; elegir los instrumentos en los cuales invertir, incluyendo precio y cantidad, y asegurar la ejecución, para lo cual podía emplear como agente al Banco del Estado (BE). Sin embargo, DIPRES también tenía funciones de *middle office* (por ejemplo, decisiones analíticas acerca de las previsiones de flujo de caja) y de *back office* (p.ej. confirmaciones de las transacciones con las contrapartes y mantenimiento de una base de datos de las inversiones). La TGR era responsable de las funciones de *back office*: también confirmaba las transacciones con las contrapartes, autorizaba al Banco del Estado (BE) a liquidar las operaciones en el Depósito Central de Valores (DCV) retirando efectivo de la Cuenta Única Fiscal (CUF), y mantenía la base de datos principal. Finalmente, el Ministerio de Hacienda dictaba la política de inversión de los excedentes de caja y también monitoreaba el desempeño y establecía las buenas prácticas.

La dispersión de las responsabilidades implicaba duplicidades y mayor riesgo operacional; las entidades involucradas no eran consideradas responsables del procedimiento completo de la inversión de los excedentes de caja, sino más bien de segmentos específicos. Los funcionarios eran conscientes de la necesidad de progresos adicionales y algunas reformas estaban en implementación.

¹ En 2008 un informe del Banco Mundial analizó el marco para el manejo de caja del Gobierno central en Chile, incluyendo las disposiciones institucionales, los mandatos organizacionales y las responsabilidades operacionales de la inversión de los excedentes de caja.

En su reporte, la misión recomendó diversas actividades, resumidas en el Anexo 1, la mayoría de las cuales podrían implementarse en 12-15 meses, aunque algunas tendrían mayor prioridad y podrían implementarse en un lapso de 6 meses.

II. Objetivos de los Servicios de Asesoría

1. Los Servicios de Asesoría que se describen a continuación se concentran en las dimensiones del riesgo operacional de un área específica de administración del flujo de caja, en concreto la inversión de los excedentes de caja de la Cuenta Única Fiscal de acuerdo a las nuevas normas de política de inversión mencionadas anteriormente. Por lo tanto, los Servicios de Asesoría serán de utilidad al Ministerio de Hacienda en el área de inversión de los excedentes de caja para i) evaluar las reformas para el manejo del riesgo operacional implementadas por las autoridades, con referencia al Plan de Acción recomendado por la misión anterior en el Anexo 1; ii) analizar el riesgo operacional remanente y iii) efectuar las recomendaciones adecuadas, incluyendo un plan de acción para mejoras adicionales del manejo de caja.
2. Durante la misión, el equipo asesor de la misión escribirá un informe, en el cual:
 - i) evaluará las reformas para el manejo del riesgo operacional implementadas por las autoridades, con referencia al Plan de Acción recomendado en la misión anterior;
 - ii) analizar el riesgo operacional remanente y
 - iii) efectuar las recomendaciones adecuadas y presentar un plan de acción para fomentar nuevas mejoras en el manejo de caja del Fisco de Chile.

III. Alcance de los Servicios de Asesoría

1. Los Consultores presentarán al Ministerio sus conclusiones preliminares y recomendaciones al término de la visita en terreno mencionada en la sección 4 (Disposiciones Generales) de este contrato.
2. El Banco redactará y remitirá al Ministerio el informe mencionado en el párrafo anterior a más tardar el 30 de abril de 2013, sin perjuicio de que el Ministerio podrá otorgar al Banco una prórroga del plazo durante el período de vigencia del presente contrato.
3. El Ministerio enviará sus comentarios al informe preliminar a más tardar en la fecha que sea posterior entre el 15 de mayo de 2013 o dos semanas después de la fecha en que el informe preliminar sea proporcionado al Ministerio según el párrafo (2) precedente.
4. El Banco enviará el informe final al Ministerio a más tardar en la fecha que sea posterior entre el 30 de mayo de 2013 o dos semanas después de la fecha en que se reciban los comentarios del Ministerio al informe preliminar según el párrafo (3) precedente.

IV. Fecha, Duración y Costo de los Servicios de Asesoría

1. Por razones de buen servicio, la labor comprendida en el marco del presente contrato comenzará en la fecha consignada en el mismo. No obstante, el contrato entrará en vigor en la fecha en que finalice la tramitación en Chile del acto administrativo por el cual se dispone su aprobación.
2. El costo de los Servicios de Asesoría que se prestarán al Ministerio no superará los US\$45.000. Esta suma cubrirá el costo total de los servicios (incluidos los gastos de viaje de los Consultores) y se basará en los honorarios cobrados habitualmente por el Banco para prestar servicios de asesoría técnica de índole similar relacionados con la gestión de la deuda pública. El Ministerio pagará al Banco por concepto de honorarios correspondientes a los Servicios de Asesoría, las siguientes sumas: (i) US\$1.500 por día

respecto de la Sra. Elizabeth Currie, que es la tasa usual cobrada por el Banco en el caso de funcionarios de su mismo grado; (ii) US\$1.200 por día respecto del Sr. Mike Williams, contratista del Banco, que es la suma que el Sr. Williams le cobra habitualmente al Banco para desempeñarse como consultor.

3. Los gastos de viaje y alojamiento incluirán los gastos efectivamente incurridos. Para cubrir otros gastos relacionados con el viaje, se aplicará el viático usual establecido por el Banco. El costo total máximo de los servicios que prestarán los Consultores será de US\$45.000, e incluirá el tiempo trabajado por Elizabeth Currie y Mike Williams (un total de 20 días de trabajo), así como todos los gastos de viaje.
4. El costo podría ser inferior si efectivamente se dedican menos días a prestar los Servicios de asesoría.
5. Otros contactos posteriores con el Ministerio destinados a obtener alguna aclaración o posible modificación del informe mencionado en el párrafo 4 del presente Anexo (*supra*), se efectuarán sin costo adicional alguno.

V. Consultores

6. El Banco designará a Elizabeth Currie y a Mike Williams en carácter de Consultores para llevar a cabo los Servicios de Asesoría antes mencionados.

VI. Contrapartes y Actividades en Terreno

1. Las contrapartes del Banco para efectos del presente contrato serán los asesores del Ministerio Ignacio Briones y Patricio Sepúlveda C., así como cualquier otro funcionario o asesor debidamente designado por el Ministerio.
2. Las actividades en terreno comprendidas en el marco de los Servicios de Asesoría se llevarán a cabo en Santiago (Chile).

VII. Pago

1. El Ministerio pagará al Banco la suma máxima de US\$45.000 sobre la base del siguiente plan de cuotas:
 - a. El 50% del monto total, cuando el Ministerio reciba el informe mencionado en el párrafo 4 del presente Anexo. Dicha recepción será verificada por Ignacio Briones.
 - b. El 50% del monto total con ocasión de la finalización de los Servicios de Asesoría, a entera satisfacción del Ministerio. Este hecho será verificado por escrito por Ignacio Briones.

No obstante lo anterior, los pagos serán realizados únicamente después de que el Ministerio haya terminado el proceso administrativo de aprobación de este acuerdo.

2. Cada pago que venza en las fechas indicadas anteriormente se deberá efectuar mediante transferencia electrónica a:

| | | |
|------------------|----------------------|---|
| Wire Payment to: | Account Name: | IBRD |
| | Account Number: | 2000192003476 |
| | Bank: | Wells Fargo Bank, N.A. |
| | SWIFT BIC: | PNBPUS3NNYC |
| | ABA: | 026005092 |
| | Internal Route Code: | PNBPNY |
| | Please reference: | OUI 7819/IO# _____ AdvServFees Customer _____ |

El IO# (centro de costos) es:

SANTIAGO, CHILE

Annex 1: Proposed Action Plan of Mission of October 2011

| | Lead | Priority | Short term [by end Q1 2012] | Medium-term [by end Q4 2012] | Longer-term |
|--|---------------------------|------------|--|---|---|
| High-level Policy and Coordination Arrangements and Performance Evaluation | MH (with CC) | High | The MH should define a cash management objective, which the CC will formalize and in due course publish. This high-level objective will be applicable to the three units involved in the process. The CC should systematically devote time to the topic of cash management. | Sub-objectives would identify key responsibilities of the relevant units and any other requirements. | |
| | MH (with CC) | High | Establish a weekly cash management technical meeting to support the CC and discuss the weekly decisions (eg Roadmap and analysis of, and adjustments to, cash forecasts). | | |
| | MH (with CC, also BCCh) | Medium | | Develop performance indicators | |
| | MH (with CC) | Medium | | Consider development of a "stable" cash portfolio with separate performance objectives; improved cash forecasting will be necessary for this. | Define such a portfolio; agree on indicators/targets |
| Cash Flow Forecasts | DIPRES | Medium/Low | | Arrange for cash flow forecasts to be submitted independently of budget execution process. | |
| | DIPRES | High | Explore scope for using knowledge of relevant spending units or revenue departments for improving cash flow forecasting. | Daily forecasts prepared looking 3 months ahead (and extending beyond the end of the budget year). | |
| | DIPRES (and techn. comm.) | High | Any adjustments made to the forecast should be recorded; and successive forecasts retained for future analysis. | Monitor day to day divergences between forecast and outturn, review and analyse forecast experience, reconcile the forecasts with outturns. | Prepare daily cash forecasts for next 3 months with high level of confidence, for discussion in CC. |
| | DIPRES (& TGR & BCCh) | Low | | | Establish DIPRES' access to information of the CUF. |
| Processes | DIPRES and tech committee | Medium | All decisions at weekly Roadmap (and in future technical cash management committee) meetings should be recorded. | | |
| | DIPRES | Medium | Formal sign off of all e-mails etc. to TGR; and of all records in Planes | | |
| | TGR | Medium | | Record phones; avoid external e-mail | |
| | MH (also BCCh) | Low | | | Provide for collateral substitutions or haircuts |

| | | | | |
|----------------------------|----------------|--------|---|---|
| Systems and Back-up | DIPRES and TGR | Medium | | Prepare full procedures manuals, referencing relevant controls, covering also the interaction between units |
| | DIPRES and TGR | Low | | Introduce code of conduct or conflict of interest guidelines for all staff |
| | DIPRES | Low | | Periodically confirm the integrity of the data in its spreadsheet |
| | DIPRES and TGR | Medium | Stock data in Planes and SMI should be reconciled at least quarterly. | |
| | DIPRES and TGR | High | | Full BCP should be developed for relevant functions in DIPRES and TGR; periodic testing should be enforced. |
| | DIPRES | Medium | | DIPRES to consider short-term disaster recovery site options |
| Audit and Operational Risk | DIPRES | High | Ensure external audit of DIPRES's operations in next six months and, at least every 3 years (coordinating with external audit of TGR). Follow up monitored by CC. | |

| | | | | |
|--------------------|----------------|--------|---|--|
| Transparency | DIPRES and TGR | Medium | | Ensure internal performance audit of relevant sections of DIPRES and TGR; and that internal and external auditors coordinate to ensure a complete audit of the end-to-end process. |
| | DIPRES and TGR | High | Institute full risk assessment to cover the full cash investment and management process | |
| Longer Term Issues | MH (and CC) | Medium | Discuss with BCCh, the information that might be passed to it on a confidential basis | Develop a programme to improve market understanding of investment policies and the underlying drivers |
| | MH | | | Incorporate cash management in debt office or in TGR (with benefits potentially also to debt management eg from integration of yield curve). |
| | MH | | | MH to issue T bills |
| | MH | | | Explore incentives for spending units to maintain a low level of cash in own accounts, and instead to centralize cash in CUF. |

2°.- Autorízase a la Unidad de Contabilidad y Presupuesto del Departamento Administrativo para pagar al organismo citado en el primer Considerando, según lo estipulado en la cláusula décimo tercera del contrato y la cláusula onceava de su anexo, contra la presentación de la documentación señalada en el presente convenio y de la factura respectiva.

3°.- Impútese el gasto antes indicado al **Subtítulo 22, Ítem 11, Asignación 001**, del Presupuesto vigente para el 2013, cuyo centro de costos es Finanzas Internacionales, de la Secretaría y Administración General del Ministerio de Hacienda.

Anótese, Comuníquese y Archívese.


JULIO DITTBORN CORDUA
Subsecretario de Hacienda



Distribución:

- Unidad de Abastecimiento y Contratos.
- Unidad de Contabilidad y Presupuesto.
- Unidad de Finanzas Internacionales.



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Fecha Publicación :29-12-1945
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Organismo :MINISTERIO DE HACIENDA
Título :APRUEBA LOS CONVENIOS ACORDADOS EN LA CONFERENCIA MONETARIA Y FINANCIERA DE LAS NACIONES UNIDAS, CELEBRADA EN BRETTON WOODS, ESTADOS UNIDOS, EN JULIO DE 1944, QUE CREAN EL "FONDO MONETARIO INTERNACIONAL" Y EL "BANCO INTERNACIONAL DE RECONSTRUCCION Y FOMENTO".

Tipo Version :Ultima Versión De : 23-08-1974
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Organismo tratados :Banco Internacional de Reconstrucción y Fomento; Fondo Monetario Internacional
Tipo Tratado :Multilateral
Id Norma :25771
URL :<http://www.leychile.cl/N?i=25771&f=1974-08-23&p=>

LEY N° 8.403

APRUEBA LOS CONVENIOS ACORDADOS EN LA CONFERENCIA MONETARIA Y FINANCIERA DE LAS NACIONES UNIDAS, CELEBRADA EN BRETTON WOODS, ESTADOS UNIDOS, EN JULIO DE 1944, QUE CREAN EL "FONDO MONETARIO INTERNACIONAL" Y EL "BANCO INTERNACIONAL DE RECONSTRUCCION Y FOMENTO"

Por cuanto el H. Congreso Nacional ha tenido a bien prestar su aprobación al siguiente

Proyecto de ley:

"Artículo 1° Apruébanse los convenios acordados en la Conferencia Monetaria y Financiera de las Naciones Unidas, celebrada en Bretton Woods, en N. H., Estados Unidos, en Julio de 1944, que crean el "Fondo Monetario Internacional" y el "Banco Internacional de Reconstrucción y Fomento".

Artículo 2° El Convenio sobre Fondo Monetario Internacional se aplicará por intermedio del Banco Central de Chile.

El Banco Central de Chile queda autorizado para realizar las operaciones estipuladas en el Convenio sobre "Fondo Monetario Internacional" y para ejercer los derechos y cumplir todas las obligaciones y efectuar los aportes consultados en el Convenio respectivo.

Artículo 3° Se faculta al Banco Central de Chile para solicitar las informaciones necesarias para cumplir lo dispuesto en el artículo VIII Sección 5ª, del Convenio respectivo.

Las informaciones que se proporcionen se entenderán estrictamente confidenciales.

Artículo 4° El "Fondo Monetario Internacional" tendrá en Chile personalidad jurídica en las condiciones previstas por la Sección 2ª del artículo IX del Convenio.

Artículo 5° Se faculta al Presidente de la República para subscribir a nombre del Gobierno de Chile las 350 acciones del capital autorizado del "Banco Internacional de Reconstrucción y Fomento", que corresponden a nuestro país



como miembro de dicha institución.

Las relaciones entre el Gobierno y el "Banco Internacional de Reconstrucción y Fomento" se mantendrán por intermedio del Ministerio de Hacienda.

Se autoriza al Banco Central de Chile para realizar con el "Banco Internacional de Reconstrucción y Fomento", todas las operaciones consultadas en el Convenio que crea esta institución.

Artículo 6° El "Banco Internacional de Reconstrucción y Fomento", tendrá en Chile personalidad jurídica en las condiciones propuestas por la Sección 2a del artículo VII del Convenio.

Artículo 7° El Presidente de la República, a propuesta del Banco Central de Chile y con acuerdo del Senado designará a las personas que habrán de desempeñar los cargos de Gobernador en propiedad y Gobernador suplente, en representación de Chile, en el "Fondo Monetario Internacional". En igual forma se designarán a las personas que desempeñarán los cargos de Gobernador en propiedad y Gobernador suplente en el Banco Internacional de Reconstrucción y Fomento.

NOTA 1.-

DL 620 1974
ART UNICO

NOTA: 1

El Artículo 141 de la Ley 17.399 dispuso la derogación del inciso segundo del artículo 7° de la ley 8.403, siendo que este inciso segundo no está contemplado en el texto original, ni aparece registrado en los archivos de la Biblioteca del Congreso Nacional ni en la Contraloría General de la República.

Artículo 8° El "Fondo Monetario Internacional" y el "Banco Internacional de Reconstrucción y Fomento", gozarán en Chile de todas las inmunidades y privilegios establecidos para cada uno de ellos en el artículo IX, Secciones 3.a, 4.a, 5.a, 6.a y 7.a, en el artículo VII Secciones 3.a, 4.a, 5.a, 6.a y 7.a, de los Convenios pertinentes.

Artículo 9° Los Gobernadores, los Directores Ejecutivos y los suplentes, los funcionarios y empleados del "Fondo Monetario Internacional" y del "Banco Internacional de Reconstrucción y Fomento", que no sean chilenos, gozarán en Chile de las inmunidades y privilegios establecidos respectivamente para cada uno de ellos en el artículo IX, Sección 8a, y en el artículo VII, Sección 8a, de los Convenios pertinentes.

Artículo 10. El "Fondo Monetario Internacional" y el "Banco Internacional de Reconstrucción y Fomento" estarán exentos de toda clase de impuestos, contribuciones y derechos de cualquier género.

Los títulos, las obligaciones, sus dividendos o intereses y todos los documentos de cualquier clase emitidos por el "Fondo Monetario Internacional" o por el "Banco Internacional de Reconstrucción y Fomento", cualquiera que sea su tenedor; los instrumentos públicos o privados y las operaciones de cualquier clase a favor de estas instituciones o en las cuales ellas intervengan; todos los actos o contratos en que participen, como asimismo todos los valores, títulos, acciones, bienes muebles o inmuebles de propiedad de estas entidades, estarán exentos de toda clase de impuestos o contribuciones y de tributos de cualquier



género u origen, ya sea respecto de los anteriores organismos, como de los particulares, o personas jurídicas que intervinieron en el otorgamiento de los respectivos documentos.

Artículo 11. Los sueldos y emolumentos de los Directores Ejecutivos y los suplentes y de los funcionarios y empleados del "Fondo Monetario Internacional" y del "Banco Internacional de Reconstrucción y Fomento", que no sean de nacionalidad chilena, estarán exentos de todo impuesto o contribución.

Artículo 12. Se faculta al Presidente de la República para firmar los Convenios que crea el "Fondo Monetario Internacional" y el "Banco Internacional de Reconstrucción y Fomento", y para hacer las declaraciones previstas respectivamente para cada uno de ellos en el artículo XX, Sección 2a, letra a) y en el artículo XI, Sección 2a, letra a) de los Convenios pertinentes con expresión de que ha hecho la aprobación de conformidad al texto de la ley aprobatoria de los referidos Convenios.

Artículo 13. Se faculta al Presidente de la República, para contratar con el Banco Central de Chile, un préstamo en moneda corriente por las sumas necesarias para adquirir de dicho Banco la cantidad de US\$ 700,000, que debe entregar el Gobierno de Chile al "Banco Internacional de Reconstrucción y Fomento" en pago de la parte del valor de las 350 acciones de ese Banco que le corresponde subscribir, en cumplimiento de la obligación prevista en el artículo II, Secciones 7a y 8a, letra a) del Convenio respectivo. Este préstamo estará sometido a las condiciones de amortización e interés fijadas por la ley 5,296, para las actuales obligaciones fiscales consolidadas y su servicio será de cargo de la Caja Autónoma de Amortización.

Se faculta al Presidente de la República, para contratar con el Banco Central de Chile, un crédito en moneda corriente, hasta por una suma equivalente a US\$ 6.300,000, con el objeto de dar cumplimiento a la obligación prevista en el artículo II, Secciones 7a y 8a, letra b), del Convenio sobre "Banco Internacional de Reconstrucción y Fomento". Este crédito devengará un interés del 1% anual sobre las sumas que sean utilizadas para los fines de dicho Convenio, intereses que serán pagados al Banco Central de Chile por la Caja de Amortización. El Fisco entregará al Banco Central de Chile, en abono al crédito que se haya utilizado todos los pagos y amortizaciones que reciba el Gobierno del "Banco Internacional de Reconstrucción y Fomento", en conformidad al convenio respectivo.

Para el otorgamiento de los préstamos en moneda nacional consultados en el artículo IV, Sección 2a, letra a), del Convenio sobre "Banco Internacional de Reconstrucción y Fomento" se requerirá la aprobación del Presidente de la República por Decreto Supremo y previo informe favorable del Banco Central de Chile.

La responsabilidad que pueda afectar al Gobierno de Chile de acuerdo con lo previsto en el artículo II, Sección 5a, número 2, del Convenio sobre "Banco Internacional de Reconstrucción y Fomento", será de cargo del Fisco y su eventual cumplimiento se determinará por una ley.

Se autoriza al Banco Central de Chile para realizar todas las operaciones a que se refiere este artículo, sin las restricciones y prohibiciones contempladas en su Ley Orgánica.

Artículo 14. Las autorizaciones de cambios estarán gravadas con una comisión a favor del Banco Central de



Chile, cuya tasa no podrá ser superior al 1% del valor en moneda corriente de la operación respectiva. El Banco Central fijará periódicamente el monto de esa comisión y determinará la oportunidad en que deberá iniciarse su pago.

El valor de esta comisión, será retenido por el Consejo Nacional de Comercio Exterior, quien lo entregará semestralmente al Banco Central de Chile.

El Banco Central de Chile destinará las sumas que perciba por concepto de estas comisiones, a formar una provisión que le permita atender el pago de los intereses y comisiones que devenguen los créditos que se soliciten al "Fondo Monetario Internacional", de acuerdo con las disposiciones del Convenio respectivo.

LEY 8918
ART 16°

Artículo 15. El texto oficial de los acuerdos aprobados en la Conferencia Monetaria y Financiera de las Naciones Unidas, celebrada en Bretton Woods, N. H., Estados Unidos, en Julio de 1944, será el original en inglés que se halla archivado en el Ministerio de Relaciones Exteriores. Se tendrá por traducción oficial de dicho texto la hecha en el Banco Central de Chile, que se acompaña a este proyecto de ley.

Artículo 16. Las obligaciones que se hayan contraído en la moneda legal fijada por el artículo 1° del decreto ley número 606, publicado en el "Diario Oficial" el 14 de Octubre de 1925, seguirán siendo solucionadas con la misma cantidad numérica de pesos chilenos expresada en la obligación respectiva, cualquiera que sea la relación que se fije entre el peso chileno y el oro.

NOTA 2.-

NOTA: 2

La fecha de publicación en el Diario Oficial del decreto ley número 606 es 16 de Octubre de 1925.

Artículo 17. La presente ley regirá desde la fecha de su publicación en el "Diario Oficial".

Artículos transitorios

Artículo 1°

DEROGADO
POR LEY 9839
ART 26°
DEROGADO
POR DS 6973
M. HDA. 1956
ART 38°
DEROGADO POR
DS 1272 M Ec
1961 ART 35°

Artículo 2°

DEROGADO
POR LEY 9839
ART 26°
DEROGADO POR
DS 6973



M. HDA. 1956
ART 38°
DEROGADO POR
DS 1272
M. Ec. 1961
ART 35°

Y por cuanto he tenido a bien aprobarlo y sancionarlo;
por tanto, promúlguese y llévase a efecto como ley de la
República.

Santiago, veintinueve de Diciembre de mil novecientos
cuarenta y cinco.- JUAN ANTONIO RIOS M.- Pablo Ramírez.

**CONTRACT FOR ADVISORY SERVICES
BETWEEN
THE REPUBLIC OF CHILE
AND
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

Contract concluded on March 15, 2013, between the Republic of Chile ('Chile'), represented by the Ministry of Finance (hereinafter "the Ministry") and the International Bank for Reconstruction and Development (hereinafter "the Bank").

Whereas the Ministry has requested the Bank to provide advisory services to the Ministry as more particularly described in the Schedule to this contract, and the Bank has agreed to provide the said services in accordance with the terms and conditions set forth in this contract,

The parties hereby agree to the following:

Definitions

1. In this contract, the following terms shall have the meanings indicated below:

- a) "Advisory Services" refer to all the activities to be conducted by the Bank, as set forth in the Schedule to this contract and the amendments thereto that may be made from time to time by mutual agreement between the parties and as authorized by the Ministry through the appropriate administrative instrument.
- b) "Consultants" refer to specialists Elizabeth Currie and Mike Williams, officials assigned by the Bank to provide the Advisory Services that constitute the basis of this contract or such other Bank officials as may be agreed between the Bank and the Ministry.
- c) "Advisors" refer to professionals who are specialists in the same areas as those comprised in the Advisory Services.

General Provisions

2. The appointment by the Bank of the Consultants to provide the Advisory Services requested by the Ministry shall be non-exclusive in nature and shall not impose any restriction whatsoever on Chile or the Ministry with respect to the hiring of other Advisors in the same or related areas.
3. When providing Advisory Services, the Bank shall work closely with officials appointed by the Ministry and such other persons or agencies as may be designated by Chile.
4. The Bank undertakes that the Consultants shall travel on a field visit to Santiago, Chile in April 2013 as part of the Advisory Services. However, should there be well-

founded reasons for dissatisfaction with the work of either Consultant, the Ministry may request a replacement from the Bank.

5. Chile shall grant the Consultants the status, immunities, and privileges set forth in Articles of Agreement of the Bank and other applicable rules of international law.

6. The Bank shall provide the Advisory Services with the same degree of efficiency and diligence as it applies to activities of like character undertaken on its own behalf in similar circumstances.

7. The Bank shall keep appropriate records of matters related to the Advisory Services, in accordance with its customary record-keeping practices, and shall provide the Ministry with the information that the latter has reasonably requested with regard to the Advisory Services.

Confidentiality

8. (a) The reports, studies, analyses, and other documents drafted by the Consultants and/or the Bank pertaining to the Advisory Services shall be prepared exclusively for the use of Chile.

(b) The Bank shall not disclose, during the effective period of this contract and for two years after the expiration thereof, any information that is confidential or protected by proprietary rights related to the Advisory Services, without the prior written consent of the Ministry; provided that, following prior notice to the Ministry, the Bank shall have the right to disclose the general terms of this contract to third parties in accordance with the Bank's Access to Information Policy and/or to correct any private or public statements made by Chile with respect to the provision by the Bank of the Advisory Services.

Effective Period

9. In the interest of efficient service, work covered under this contract shall commence on the date first specified above provided that the contract shall come into effect on the completion date of the processing of the administrative instrument authorizing said contract by the Ministry.

Termination and Expiration

10. The Ministry or the Bank may terminate this contract after providing 30 days' advance notice to the other party. Upon receipt of notification, the parties shall take all appropriate measures to complete, in an orderly fashion, activities in progress on the date in question related to the Advisory Services, and shall settle, in an expeditious manner, all pending matters. Of the work contracted, payment shall be made based on work actually performed, as verified by the Ministry.

11. This contract shall expire on earlier of: (i) the date that full payment is made by Chile for the Advisory Services provided under this Agreement; and (ii) December 31, 2013.

12. The termination or expiration of this contract notwithstanding, the provisions related to (i) the obligation to maintain confidentiality and compensation covered in Sections 8 and 13 respectively; (ii) indemnification in Section 14; and (iii) the obligation by Chile to pay the Bank for work related to Advisory Services satisfactorily performed prior to the date of termination or expiration of this contract shall continue to have full force and effect.

Travel Payment and Expenses

13. (a) Payment for consulting work shall be based on the customary fees charged by the Bank for the provision of technical advisory services related to public debt management. The amounts, currency and timing of the payments to be made by the Ministry to the Bank in respect of the Advisory Services shall be as specified in the Schedule.

(b) The following fees shall be paid by the Ministry to the Bank: (i) US\$1,500 per day in respect of Ms. Elizabeth Currie and (ii) US\$1,200 per day in respect of Mr. Mike Williams.

(c) The Ministry shall reimburse the Bank for the travel and accommodation expenses actually incurred by the Consultants. The Bank's customary per diem rate shall apply to determine the amounts to be reimbursed by the Ministry to the Bank in respect of other travel-related expenses incurred by the Consultants.

(d) The maximum total cost of the Advisory Services shall be US\$45,000. This maximum total cost of the Advisory Services shall include the Consultants time (20 days in total) and all travel-related expenses. The foregoing notwithstanding, the total cost of the Advisory Services may be lower if fewer days are actually devoted to work.

Indemnification

14. In accordance with general rules, the Ministry shall indemnify the Bank and the Consultants and hold them harmless from any and all liability for losses, expenses, damages, and obligations (including reasonable attorney's fees and expenses) resulting or arising from their acts or omissions, transactions, duties, or obligations hereunder except with respect to any such acts or omissions, transactions, duties, or obligations constituting negligence or willful misconduct on the part of the Bank or the Consultants.

Conflict Resolution

15. Any dispute arising from this contract or related thereto that is not settled by an agreement between the parties shall ultimately be resolved by arbitration, in accordance with the Arbitration Rules of the United Nations Commission on International Trade

Law (UNCITRAL), in effect on the date of this contract. In the event of a discrepancy between UNCITRAL Arbitration Rules and the terms of this contract, the latter shall prevail.

No Waiver of Immunity

16. Nothing in or relating to this contract shall be deemed to be or shall constitute a waiver of any of the privileges and immunities of the Bank or Chile.

Notifications

17. All notifications required or permitted pursuant to this contract shall be provided in writing and shall be considered to have been duly furnished if delivered by hand or dispatched by mail, telegram, cable, telex, or fax to the signatories of this contract at the addresses indicated below or such other addresses that may be provided by the parties by notice similarly provided. Notifications dispatched by certified mail shall be considered to have been delivered five days after mailing. Confirmation of receipt of notifications provided by fax or e-mail shall be provided by either e-mail or fax.

18. For purposes of this contract, the following addresses have been provided by the parties:

The Ministry

Ministry of Finance, Teatinos 120, Santiago, CP 8340487, Chile
Fax: (56-2) 6873323

The Bank

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433, U.S.A.
Fax: (202) 477-6391

This contract shall be executed in English. The parties have also agreed on a Spanish version.

IN WITNESS WHEREOF, the parties, through their duly authorized representatives, have stipulated that this contract be concluded in their respective names on the date indicated above.



By: _____

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

A handwritten signature in blue ink, which appears to read "Axel R. Peuker", is written over a horizontal line.

By: Axel R. Peuker
Director, Financial Advisory and Banking

Authorized Representative

SCHEDULE

Advisory Services

I. Background¹

In October of 2011, a World Bank mission comprising Elizabeth Currie (FAB Treasury) and Mike Williams (consultant) visited Santiago at the request of the Chilean authorities. The Ministry of Finance (Ministerio de Hacienda -MH) requested the Bank to evaluate and make recommendations on the operational risk dimensions of a specific area of cash management, namely, the investment of cash surpluses. More specifically, the mission was asked to focus on the following objectives: i) to analyze the investment process in its entirety; ii) to evaluate operational risk of the investment process; iii) to inform the authorities of sound practice in other countries; and iv) to make recommendations for improving the investment process and reducing operational risk.

The mission found that during 2011 a new cash surplus investment policy had been developed in MH by the newly created Comité de Coordinación, which envisaged a wide range of investments in the domestic market, with the prospect of reducing exposure to a single bank and earning a higher rate of return. In the external market, investment could equally be dispersed among high quality banks or retained in US Treasuries. The guidelines specified, for both domestic and international markets, minimum credit quality, eligible asset classes, issuer limits, collateral specifications (e.g. for repos), custodial arrangements, execution benchmarks and reporting requirements.

Important operational risks had been addressed in both the Budget Office (DIPRES) and the National Treasury (TGR), two other units involved in the process of investing surplus cash. There were good confirmation and reconciliation processes, and key procedures were reviewed by a second pair of eyes and in some cases by a senior manager. However, there remained a number of concerns, in relation to the formality of some of the processes, systems interfacing and back-up, and audit.

More importantly, the mission found that responsibility for the investment of cash surpluses was dispersed, with some overlap, among three government units. DIPRES was responsible for the front office functions, including estimating daily investible cash balances; choosing the instruments, including price and amount, in which to invest; and ensuring execution, for which Banco del Estado (BE) could be used as agent. However, DIPRES also had a middle office (e.g. analytical decisions on cash-flow forecasting) and back office (e.g. transaction confirmations with counterparts, maintaining a database of investments). The TGR was responsible for the back office functions; it also confirmed the transactions with the counterparties, authorized Banco del Estado (BE) to settle the operations with the Depósito Central de Valores (DCV) drawing cash from the Cuenta Única Fiscal (CUF); and maintained the main database. Finally, policy for investment of cash surpluses was set by the MH, which also monitored performance and established good practice.

¹ In 2008 a World Bank report analyzed the framework for central government cash management in Chile, including the institutional arrangements, organizational mandates and operational responsibilities for the investment of cash surpluses.

The dispersal of responsibilities implied duplication and greater operational risk; the units involved were not held accountable for the entire process of cash surplus investment, but rather for specific segments. Officials were aware of the need for further progress and some reforms were underway.

The mission recommended in its report a number of actions, summarized in Annex 1 to this Schedule (the "Action Plan"), most of which could be taken forward in 12-15 months, although some would have greater priority and could be taken forward in the space of 6 months.

II. Objectives of Advisory Services

1. The Advisory Services described below focus on the operational risk dimensions of a specific area of cash management, namely, the investment of cash surpluses of the *Cuenta Unica Fiscal* according to the investment policy rules mentioned above. Thus, the Advisory Services shall assist the Ministry of Finance in the area of surplus cash investment, by: i) evaluating the operational risk management reforms put in place by the authorities (with reference to the prior mission's recommended Action Plan); ii) analyzing remaining operational risk and iii) making appropriate recommendations, including an action plan for further improvement of cash management.
2. During the field visit, the Consultants will write a draft report (the "Draft Report") which will:
 - i) evaluate the operational risk management reforms put in place by Chile/the Ministry with reference to the prior mission's recommended Action Plan;
 - ii) analyze the remaining operational risk and
 - iii) make appropriate recommendations and present an action plan for fostering new improvements in the cash management of the Chilean Treasury.

III. Deliverables under the Advisory Services

1. The Consultants shall make a presentation to the Ministry on their preliminary findings and recommendations at the end of the mission provided for in Section 4 (General Provisions) of this Agreement.
2. The Bank shall draft and submit to the Ministry the Draft Report on or before April 30, provided that the Ministry may grant the Bank an extension of the deadline during the effective period of this contract.
3. The Ministry shall provide any comments it may have on the Draft Report on or before May 15, 2013 or the date that falls two weeks from the date on which the

Draft Report is provided to the Ministry as provided in sub-paragraph III.2 above, whichever is later.

4. The Bank shall deliver a final report (the "Final Report") to the Ministry on or before May 30, 2013 or the date that falls two weeks from the receipt of any comments on the Draft Report from the Ministry as provided for in sub-paragraph III.3 above, whichever is later.

IV. Date, Duration, and Cost of Advisory Services

1. In the interest of efficient service, work covered in this contract shall begin on the date of said contract. However, the contract shall come into effect on the date of completion of processing by Chile of the administrative instrument authorizing the said contract.
2. The cost of the Advisory Services to Chile shall not exceed US\$45,000 and shall cover the total cost thereof (including travel expenses for the Consultants), based on the customary fees charged by the Bank for technical advisory services of a similar nature related to public debt management. Chile shall pay the Bank as a fee for the Advisory Services as follows: (i) US\$1,500 per day in respect of Ms. Elizabeth Currie, which is the customary fee charged by the Bank for officials of her grade; (ii) US\$1,200 per day in respect of Mr. Mike Williams, a Bank contractor, which is the amount customarily charged by him to the Bank as a consultant.
3. Travel and accommodation expenses shall be those actually incurred, with the Bank's customary per diem being used to cover other travel-related expenses. The maximum total cost of the Consultant's services shall be US\$45,000, including the time worked by Ms. Elizabeth Currie and Mr. Mike Williams (a total of 20 working days), as well as all travel expenses.
4. The cost may be lower if fewer days are actually devoted to providing the Advisory Services.
5. Subsequent contact with the Ministry in order to obtain clarification or possible modifications to the Final Report shall be provided at no additional cost.

V. Consultants

1. The Bank shall appoint Ms. Elizabeth Currie and Mr. Mike Williams (or such other official as may be agreed between the Bank and the Ministry) as Consultants to carry out the aforementioned Advisory Services.

VI. Counterparts and Field Activities

1. The Bank's counterparts in Chile for purposes of this contract shall be the advisers in the Ministry, namely, Mr. Ignacio Briones and Mr. Patricio Sepulveda C., as well as any other official or adviser duly appointed by the Ministry.

2. Field activities conducted in the context of the Advisory Services, shall take place in Santiago, Chile.

VII. Payment

1. The Ministry shall pay the Bank a maximum of US\$45,000 based on the following installment plan:
 - a. Fifty percent of the total amount at the time of receipt by the Ministry of the Final Report as provided in paragraph III.4 of this Schedule, which shall be verified by Mr. Ignacio Briones.
 - b. Fifty percent of the total amount at the time of completion of the Advisory Services, to the satisfaction of the Ministry, which shall be verified in writing by Mr. Ignacio Briones.

Notwithstanding the above, payments will be made only after the Ministry has completed the administrative process of approval of this agreement”.

2. Each payment due on the dates indicated above shall be made by electronic transfer to:

| | |
|---------------------|---|
| Account Name | IBRD |
| Account Number | 2000192003476 |
| Bank | Wells Fargo Bank, N.A. |
| SWIFT BIC | PNBPUS3NNYC |
| ABA | 026005092 |
| Internal Route Code | PNBPNY |
| Please Reference | OUI 7819/IO#: 205453; AdvServFees Customer: MoF Chile |

SANTIAGO, CHILE

**CONTRACT FOR ADVISORY SERVICES
BETWEEN
THE REPUBLIC OF CHILE
AND
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

Contract concluded on March 15, 2013, between the Republic of Chile ('Chile'), represented by the Ministry of Finance (hereinafter "the Ministry") and the International Bank for Reconstruction and Development (hereinafter "the Bank").

Whereas the Ministry has requested the Bank to provide advisory services to the Ministry as more particularly described in the Schedule to this contract, and the Bank has agreed to provide the said services in accordance with the terms and conditions set forth in this contract,

The parties hereby agree to the following:

Definitions

1. In this contract, the following terms shall have the meanings indicated below:

- a) "Advisory Services" refer to all the activities to be conducted by the Bank, as set forth in the Schedule to this contract and the amendments thereto that may be made from time to time by mutual agreement between the parties and as authorized by the Ministry through the appropriate administrative instrument.
- b) "Consultants" refer to specialists Elizabeth Currie and Mike Williams, officials assigned by the Bank to provide the Advisory Services that constitute the basis of this contract or such other Bank officials as may be agreed between the Bank and the Ministry.
- c) "Advisors" refer to professionals who are specialists in the same areas as those comprised in the Advisory Services.

General Provisions

- 2. The appointment by the Bank of the Consultants to provide the Advisory Services requested by the Ministry shall be non-exclusive in nature and shall not impose any restriction whatsoever on Chile or the Ministry with respect to the hiring of other Advisors in the same or related areas.
- 3. When providing Advisory Services, the Bank shall work closely with officials appointed by the Ministry and such other persons or agencies as may be designated by Chile.
- 4. The Bank undertakes that the Consultants shall travel on a field visit to Santiago, Chile in April 2013 as part of the Advisory Services. However, should there be well-

founded reasons for dissatisfaction with the work of either Consultant, the Ministry may request a replacement from the Bank.

5. Chile shall grant the Consultants the status, immunities, and privileges set forth in Articles of Agreement of the Bank and other applicable rules of international law.

6. The Bank shall provide the Advisory Services with the same degree of efficiency and diligence as it applies to activities of like character undertaken on its own behalf in similar circumstances.

7. The Bank shall keep appropriate records of matters related to the Advisory Services, in accordance with its customary record-keeping practices, and shall provide the Ministry with the information that the latter has reasonably requested with regard to the Advisory Services.

Confidentiality

8. (a) The reports, studies, analyses, and other documents drafted by the Consultants and/or the Bank pertaining to the Advisory Services shall be prepared exclusively for the use of Chile.

(b) The Bank shall not disclose, during the effective period of this contract and for two years after the expiration thereof, any information that is confidential or protected by proprietary rights related to the Advisory Services, without the prior written consent of the Ministry; provided that, following prior notice to the Ministry, the Bank shall have the right to disclose the general terms of this contract to third parties in accordance with the Bank's Access to Information Policy and/or to correct any private or public statements made by Chile with respect to the provision by the Bank of the Advisory Services.

Effective Period

9. In the interest of efficient service, work covered under this contract shall commence on the date first specified above provided that the contract shall come into effect on the completion date of the processing of the administrative instrument authorizing said contract by the Ministry.

Termination and Expiration

10. The Ministry or the Bank may terminate this contract after providing 30 days' advance notice to the other party. Upon receipt of notification, the parties shall take all appropriate measures to complete, in an orderly fashion, activities in progress on the date in question related to the Advisory Services, and shall settle, in an expeditious manner, all pending matters. Of the work contracted, payment shall be made based on work actually performed, as verified by the Ministry.

11. This contract shall expire on earlier of: (i) the date that full payment is made by Chile for the Advisory Services provided under this Agreement; and (ii) December 31, 2013.

12. The termination or expiration of this contract notwithstanding, the provisions related to (i) the obligation to maintain confidentiality and compensation covered in Sections 8 and 13 respectively; (ii) indemnification in Section 14; and (iii) the obligation by Chile to pay the Bank for work related to Advisory Services satisfactorily performed prior to the date of termination or expiration of this contract shall continue to have full force and effect.

Travel Payment and Expenses

13. (a) Payment for consulting work shall be based on the customary fees charged by the Bank for the provision of technical advisory services related to public debt management. The amounts, currency and timing of the payments to be made by the Ministry to the Bank in respect of the Advisory Services shall be as specified in the Schedule.

(b) The following fees shall be paid by the Ministry to the Bank: (i) US\$1,500 per day in respect of Ms. Elizabeth Currie and (ii) US\$1,200 per day in respect of Mr. Mike Williams.

(c) The Ministry shall reimburse the Bank for the travel and accommodation expenses actually incurred by the Consultants. The Bank's customary per diem rate shall apply to determine the amounts to be reimbursed by the Ministry to the Bank in respect of other travel-related expenses incurred by the Consultants.

(d) The maximum total cost of the Advisory Services shall be US\$45,000. This maximum total cost of the Advisory Services shall include the Consultants time (20 days in total) and all travel-related expenses. The foregoing notwithstanding, the total cost of the Advisory Services may be lower if fewer days are actually devoted to work.

Indemnification

14. In accordance with general rules, the Ministry shall indemnify the Bank and the Consultants and hold them harmless from any and all liability for losses, expenses, damages, and obligations (including reasonable attorney's fees and expenses) resulting or arising from their acts or omissions, transactions, duties, or obligations hereunder except with respect to any such acts or omissions, transactions, duties, or obligations constituting negligence or willful misconduct on the part of the Bank or the Consultants.

Conflict Resolution

15. Any dispute arising from this contract or related thereto that is not settled by an agreement between the parties shall ultimately be resolved by arbitration, in accordance with the Arbitration Rules of the United Nations Commission on International Trade

Law (UNCITRAL), in effect on the date of this contract. In the event of a discrepancy between UNCITRAL Arbitration Rules and the terms of this contract, the latter shall prevail.

No Waiver of Immunity

16. Nothing in or relating to this contract shall be deemed to be or shall constitute a waiver of any of the privileges and immunities of the Bank or Chile.

Notifications

17. All notifications required or permitted pursuant to this contract shall be provided in writing and shall be considered to have been duly furnished if delivered by hand or dispatched by mail, telegram, cable, telex, or fax to the signatories of this contract at the addresses indicated below or such other addresses that may be provided by the parties by notice similarly provided. Notifications dispatched by certified mail shall be considered to have been delivered five days after mailing. Confirmation of receipt of notifications provided by fax or e-mail shall be provided by either e-mail or fax.

18. For purposes of this contract, the following addresses have been provided by the parties:

The Ministry

Ministry of Finance, Teatinos 120, Santiago, CP 8340487, Chile
Fax: (56-2) 6873323

The Bank

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433, U.S.A.
Fax: (202) 477-6391

This contract shall be executed in English. The parties have also agreed on a Spanish version.

IN WITNESS WHEREOF, the parties, through their duly authorized representatives, have stipulated that this contract be concluded in their respective names on the date indicated above.



By: _____

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

A handwritten signature in black ink, which appears to read "Axel R. Peuker", is written above a horizontal line.

By: Axel R. Peuker
Director, Financial Advisory and Banking

Authorized Representative

SCHEDULE

Advisory Services

I. Background¹

In October of 2011, a World Bank mission comprising Elizabeth Currie (FAB Treasury) and Mike Williams (consultant) visited Santiago at the request of the Chilean authorities. The Ministry of Finance (Ministerio de Hacienda -MH) requested the Bank to evaluate and make recommendations on the operational risk dimensions of a specific area of cash management, namely, the investment of cash surpluses. More specifically, the mission was asked to focus on the following objectives: i) to analyze the investment process in its entirety; ii) to evaluate operational risk of the investment process; iii) to inform the authorities of sound practice in other countries; and iv) to make recommendations for improving the investment process and reducing operational risk.

The mission found that during 2011 a new cash surplus investment policy had been developed in MH by the newly created Comité de Coordinación, which envisaged a wide range of investments in the domestic market, with the prospect of reducing exposure to a single bank and earning a higher rate of return. In the external market, investment could equally be dispersed among high quality banks or retained in US Treasuries. The guidelines specified, for both domestic and international markets, minimum credit quality, eligible asset classes, issuer limits, collateral specifications (e.g. for repos), custodial arrangements, execution benchmarks and reporting requirements.

Important operational risks had been addressed in both the Budget Office (DIPRES) and the National Treasury (TGR), two other units involved in the process of investing surplus cash. There were good confirmation and reconciliation processes, and key procedures were reviewed by a second pair of eyes and in some cases by a senior manager. However, there remained a number of concerns, in relation to the formality of some of the processes, systems interfacing and back-up, and audit.

More importantly, the mission found that responsibility for the investment of cash surpluses was dispersed, with some overlap, among three government units. DIPRES was responsible for the front office functions, including estimating daily investible cash balances; choosing the instruments, including price and amount, in which to invest; and ensuring execution, for which Banco del Estado (BE) could be used as agent. However, DIPRES also had a middle office (e.g. analytical decisions on cash-flow forecasting) and back office (e.g. transaction confirmations with counterparts, maintaining a database of investments). The TGR was responsible for the back office functions; it also confirmed the transactions with the counterparties, authorized Banco del Estado (BE) to settle the operations with the Depósito Central de Valores (DCV) drawing cash from the Cuenta Única Fiscal (CUF); and maintained the main database. Finally, policy for investment of cash surpluses was set by the MH, which also monitored performance and established good practice.

¹ In 2008 a World Bank report analyzed the framework for central government cash management in Chile, including the institutional arrangements, organizational mandates and operational responsibilities for the investment of cash surpluses.

The dispersal of responsibilities implied duplication and greater operational risk; the units involved were not held accountable for the entire process of cash surplus investment, but rather for specific segments. Officials were aware of the need for further progress and some reforms were underway.

The mission recommended in its report a number of actions, summarized in Annex 1 to this Schedule (the "Action Plan"), most of which could be taken forward in 12-15 months, although some would have greater priority and could be taken forward in the space of 6 months.

II. Objectives of Advisory Services

1. The Advisory Services described below focus on the operational risk dimensions of a specific area of cash management, namely, the investment of cash surpluses of the *Cuenta Unica Fiscal* according to the investment policy rules mentioned above. Thus, the Advisory Services shall assist the Ministry of Finance in the area of surplus cash investment, by: i) evaluating the operational risk management reforms put in place by the authorities (with reference to the prior mission's recommended Action Plan); ii) analyzing remaining operational risk and iii) making appropriate recommendations, including an action plan for further improvement of cash management.
2. During the field visit, the Consultants will write a draft report (the "Draft Report") which will:
 - i) evaluate the operational risk management reforms put in place by Chile/the Ministry with reference to the prior mission's recommended Action Plan;
 - ii) analyze the remaining operational risk and
 - iii) make appropriate recommendations and present an action plan for fostering new improvements in the cash management of the Chilean Treasury.

III. Deliverables under the Advisory Services

1. The Consultants shall make a presentation to the Ministry on their preliminary findings and recommendations at the end of the mission provided for in Section 4 (General Provisions) of this Agreement.
2. The Bank shall draft and submit to the Ministry the Draft Report on or before April 30, provided that the Ministry may grant the Bank an extension of the deadline during the effective period of this contract.
3. The Ministry shall provide any comments it may have on the Draft Report on or before May 15, 2013 or the date that falls two weeks from the date on which the

Draft Report is provided to the Ministry as provided in sub-paragraph III.2 above, whichever is later.

4. The Bank shall deliver a final report (the "Final Report") to the Ministry on or before May 30, 2013 or the date that falls two weeks from the receipt of any comments on the Draft Report from the Ministry as provided for in sub-paragraph III.3 above, whichever is later.

IV. Date, Duration, and Cost of Advisory Services

1. In the interest of efficient service, work covered in this contract shall begin on the date of said contract. However, the contract shall come into effect on the date of completion of processing by Chile of the administrative instrument authorizing the said contract.
2. The cost of the Advisory Services to Chile shall not exceed US\$45,000 and shall cover the total cost thereof (including travel expenses for the Consultants), based on the customary fees charged by the Bank for technical advisory services of a similar nature related to public debt management. Chile shall pay the Bank as a fee for the Advisory Services as follows: (i) US\$1,500 per day in respect of Ms. Elizabeth Currie, which is the customary fee charged by the Bank for officials of her grade; (ii) US\$1,200 per day in respect of Mr. Mike Williams, a Bank contractor, which is the amount customarily charged by him to the Bank as a consultant.
3. Travel and accommodation expenses shall be those actually incurred, with the Bank's customary per diem being used to cover other travel-related expenses. The maximum total cost of the Consultant's services shall be US\$45,000, including the time worked by Ms. Elizabeth Currie and Mr. Mike Williams (a total of 20 working days), as well as all travel expenses.
4. The cost may be lower if fewer days are actually devoted to providing the Advisory Services.
5. Subsequent contact with the Ministry in order to obtain clarification or possible modifications to the Final Report shall be provided at no additional cost.

V. Consultants

1. The Bank shall appoint Ms. Elizabeth Currie and Mr. Mike Williams (or such other official as may be agreed between the Bank and the Ministry) as Consultants to carry out the aforementioned Advisory Services.

VI. Counterparts and Field Activities

1. The Bank's counterparts in Chile for purposes of this contract shall be the advisers in the Ministry, namely, Mr. Ignacio Briones and Mr. Patricio Sepulveda C., as well as any other official or adviser duly appointed by the Ministry.

2. Field activities conducted in the context of the Advisory Services, shall take place in Santiago, Chile.

VII. Payment

1. The Ministry shall pay the Bank a maximum of US\$45,000 based on the following installment plan:
 - a. Fifty percent of the total amount at the time of receipt by the Ministry of the Final Report as provided in paragraph III.4 of this Schedule, which shall be verified by Mr. Ignacio Briones.
 - b. Fifty percent of the total amount at the time of completion of the Advisory Services, to the satisfaction of the Ministry, which shall be verified in writing by Mr. Ignacio Briones.

Notwithstanding the above, payments will be made only after the Ministry has completed the administrative process of approval of this agreement”.

2. Each payment due on the dates indicated above shall be made by electronic transfer to:

| | |
|---------------------|---|
| Account Name | IBRD |
| Account Number | 2000192003476 |
| Bank | Wells Fargo Bank, N.A. |
| SWIFT BIC | PNBPUS3NNYC |
| ABA | 026005092 |
| Internal Route Code | PNBPNY |
| Please Reference | OUI 7819/IO#: 205453; AdvServFees Customer: MoF Chile |

SANTIAGO, CHILE

**CONTRACT FOR ADVISORY SERVICES
BETWEEN
THE REPUBLIC OF CHILE
AND
THE INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

Contract concluded on March 15, 2013, between the Republic of Chile ('Chile'), represented by the Ministry of Finance (hereinafter "the Ministry") and the International Bank for Reconstruction and Development (hereinafter "the Bank").

Whereas the Ministry has requested the Bank to provide advisory services to the Ministry as more particularly described in the Schedule to this contract, and the Bank has agreed to provide the said services in accordance with the terms and conditions set forth in this contract,

The parties hereby agree to the following:

Definitions

1. In this contract, the following terms shall have the meanings indicated below:

- a) "Advisory Services" refer to all the activities to be conducted by the Bank, as set forth in the Schedule to this contract and the amendments thereto that may be made from time to time by mutual agreement between the parties and as authorized by the Ministry through the appropriate administrative instrument.
- b) "Consultants" refer to specialists Elizabeth Currie and Mike Williams, officials assigned by the Bank to provide the Advisory Services that constitute the basis of this contract or such other Bank officials as may be agreed between the Bank and the Ministry.
- c) "Advisors" refer to professionals who are specialists in the same areas as those comprised in the Advisory Services.

General Provisions

- 2. The appointment by the Bank of the Consultants to provide the Advisory Services requested by the Ministry shall be non-exclusive in nature and shall not impose any restriction whatsoever on Chile or the Ministry with respect to the hiring of other Advisors in the same or related areas.
- 3. When providing Advisory Services, the Bank shall work closely with officials appointed by the Ministry and such other persons or agencies as may be designated by Chile.
- 4. The Bank undertakes that the Consultants shall travel on a field visit to Santiago, Chile in April 2013 as part of the Advisory Services. However, should there be well-

founded reasons for dissatisfaction with the work of either Consultant, the Ministry may request a replacement from the Bank.

5. Chile shall grant the Consultants the status, immunities, and privileges set forth in Articles of Agreement of the Bank and other applicable rules of international law.

6. The Bank shall provide the Advisory Services with the same degree of efficiency and diligence as it applies to activities of like character undertaken on its own behalf in similar circumstances.

7. The Bank shall keep appropriate records of matters related to the Advisory Services, in accordance with its customary record-keeping practices, and shall provide the Ministry with the information that the latter has reasonably requested with regard to the Advisory Services.

Confidentiality

8. (a) The reports, studies, analyses, and other documents drafted by the Consultants and/or the Bank pertaining to the Advisory Services shall be prepared exclusively for the use of Chile.

(b) The Bank shall not disclose, during the effective period of this contract and for two years after the expiration thereof, any information that is confidential or protected by proprietary rights related to the Advisory Services, without the prior written consent of the Ministry; provided that, following prior notice to the Ministry, the Bank shall have the right to disclose the general terms of this contract to third parties in accordance with the Bank's Access to Information Policy and/or to correct any private or public statements made by Chile with respect to the provision by the Bank of the Advisory Services.

Effective Period

9. In the interest of efficient service, work covered under this contract shall commence on the date first specified above provided that the contract shall come into effect on the completion date of the processing of the administrative instrument authorizing said contract by the Ministry.

Termination and Expiration

10. The Ministry or the Bank may terminate this contract after providing 30 days' advance notice to the other party. Upon receipt of notification, the parties shall take all appropriate measures to complete, in an orderly fashion, activities in progress on the date in question related to the Advisory Services, and shall settle, in an expeditious manner, all pending matters. Of the work contracted, payment shall be made based on work actually performed, as verified by the Ministry.

11. This contract shall expire on earlier of: (i) the date that full payment is made by Chile for the Advisory Services provided under this Agreement; and (ii) December 31, 2013.

12. The termination or expiration of this contract notwithstanding, the provisions related to (i) the obligation to maintain confidentiality and compensation covered in Sections 8 and 13 respectively; (ii) indemnification in Section 14; and (iii) the obligation by Chile to pay the Bank for work related to Advisory Services satisfactorily performed prior to the date of termination or expiration of this contract shall continue to have full force and effect.

Travel Payment and Expenses

13. (a) Payment for consulting work shall be based on the customary fees charged by the Bank for the provision of technical advisory services related to public debt management. The amounts, currency and timing of the payments to be made by the Ministry to the Bank in respect of the Advisory Services shall be as specified in the Schedule.

(b) The following fees shall be paid by the Ministry to the Bank: (i) US\$1,500 per day in respect of Ms. Elizabeth Currie and (ii) US\$1,200 per day in respect of Mr. Mike Williams.

(c) The Ministry shall reimburse the Bank for the travel and accommodation expenses actually incurred by the Consultants. The Bank's customary per diem rate shall apply to determine the amounts to be reimbursed by the Ministry to the Bank in respect of other travel-related expenses incurred by the Consultants.

(d) The maximum total cost of the Advisory Services shall be US\$45,000. This maximum total cost of the Advisory Services shall include the Consultants time (20 days in total) and all travel-related expenses. The foregoing notwithstanding, the total cost of the Advisory Services may be lower if fewer days are actually devoted to work.

Indemnification

14. In accordance with general rules, the Ministry shall indemnify the Bank and the Consultants and hold them harmless from any and all liability for losses, expenses, damages, and obligations (including reasonable attorney's fees and expenses) resulting or arising from their acts or omissions, transactions, duties, or obligations hereunder except with respect to any such acts or omissions, transactions, duties, or obligations constituting negligence or willful misconduct on the part of the Bank or the Consultants.

Conflict Resolution

15. Any dispute arising from this contract or related thereto that is not settled by an agreement between the parties shall ultimately be resolved by arbitration, in accordance with the Arbitration Rules of the United Nations Commission on International Trade

Law (UNCITRAL), in effect on the date of this contract. In the event of a discrepancy between UNCITRAL Arbitration Rules and the terms of this contract, the latter shall prevail.

No Waiver of Immunity

16. Nothing in or relating to this contract shall be deemed to be or shall constitute a waiver of any of the privileges and immunities of the Bank or Chile.

Notifications

17. All notifications required or permitted pursuant to this contract shall be provided in writing and shall be considered to have been duly furnished if delivered by hand or dispatched by mail, telegram, cable, telex, or fax to the signatories of this contract at the addresses indicated below or such other addresses that may be provided by the parties by notice similarly provided. Notifications dispatched by certified mail shall be considered to have been delivered five days after mailing. Confirmation of receipt of notifications provided by fax or e-mail shall be provided by either e-mail or fax.

18. For purposes of this contract, the following addresses have been provided by the parties:

The Ministry

Ministry of Finance, Teatinos 120, Santiago, CP 8340487, Chile
Fax: (56-2) 6873323

The Bank

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433, U.S.A.
Fax: (202) 477-6391

This contract shall be executed in English. The parties have also agreed on a Spanish version.

IN WITNESS WHEREOF, the parties, through their duly authorized representatives, have stipulated that this contract be concluded in their respective names on the date indicated above.



By: _____

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

A handwritten signature in black ink, appearing to read 'Axel R. Peuker', is written over a horizontal line.

By: Axel R. Peuker
Director, Financial Advisory and Banking

Authorized Representative

SCHEDULE

Advisory Services

I. Background¹

In October of 2011, a World Bank mission comprising Elizabeth Currie (FAB Treasury) and Mike Williams (consultant) visited Santiago at the request of the Chilean authorities. The Ministry of Finance (Ministerio de Hacienda -MH) requested the Bank to evaluate and make recommendations on the operational risk dimensions of a specific area of cash management, namely, the investment of cash surpluses. More specifically, the mission was asked to focus on the following objectives: i) to analyze the investment process in its entirety; ii) to evaluate operational risk of the investment process; iii) to inform the authorities of sound practice in other countries; and iv) to make recommendations for improving the investment process and reducing operational risk.

The mission found that during 2011 a new cash surplus investment policy had been developed in MH by the newly created Comité de Coordinación, which envisaged a wide range of investments in the domestic market, with the prospect of reducing exposure to a single bank and earning a higher rate of return. In the external market, investment could equally be dispersed among high quality banks or retained in US Treasuries. The guidelines specified, for both domestic and international markets, minimum credit quality, eligible asset classes, issuer limits, collateral specifications (e.g. for repos), custodial arrangements, execution benchmarks and reporting requirements.

Important operational risks had been addressed in both the Budget Office (DIPRES) and the National Treasury (TGR), two other units involved in the process of investing surplus cash. There were good confirmation and reconciliation processes, and key procedures were reviewed by a second pair of eyes and in some cases by a senior manager. However, there remained a number of concerns, in relation to the formality of some of the processes, systems interfacing and back-up, and audit.

More importantly, the mission found that responsibility for the investment of cash surpluses was dispersed, with some overlap, among three government units. DIPRES was responsible for the front office functions, including estimating daily investible cash balances; choosing the instruments, including price and amount, in which to invest; and ensuring execution, for which Banco del Estado (BE) could be used as agent. However, DIPRES also had a middle office (e.g. analytical decisions on cash-flow forecasting) and back office (e.g. transaction confirmations with counterparts, maintaining a database of investments). The TGR was responsible for the back office functions; it also confirmed the transactions with the counterparties, authorized Banco del Estado (BE) to settle the operations with the Depósito Central de Valores (DCV) drawing cash from the Cuenta Única Fiscal (CUF); and maintained the main database. Finally, policy for investment of cash surpluses was set by the MH, which also monitored performance and established good practice.

¹ In 2008 a World Bank report analyzed the framework for central government cash management in Chile, including the institutional arrangements, organizational mandates and operational responsibilities for the investment of cash surpluses.

The dispersal of responsibilities implied duplication and greater operational risk; the units involved were not held accountable for the entire process of cash surplus investment, but rather for specific segments. Officials were aware of the need for further progress and some reforms were underway.

The mission recommended in its report a number of actions, summarized in Annex 1 to this Schedule (the "Action Plan"), most of which could be taken forward in 12-15 months, although some would have greater priority and could be taken forward in the space of 6 months.

II. Objectives of Advisory Services

1. The Advisory Services described below focus on the operational risk dimensions of a specific area of cash management, namely, the investment of cash surpluses of the *Cuenta Unica Fiscal* according to the investment policy rules mentioned above. Thus, the Advisory Services shall assist the Ministry of Finance in the area of surplus cash investment, by: i) evaluating the operational risk management reforms put in place by the authorities (with reference to the prior mission's recommended Action Plan); ii) analyzing remaining operational risk and iii) making appropriate recommendations, including an action plan for further improvement of cash management.
2. During the field visit, the Consultants will write a draft report (the "Draft Report") which will:
 - i) evaluate the operational risk management reforms put in place by Chile/the Ministry with reference to the prior mission's recommended Action Plan;
 - ii) analyze the remaining operational risk and
 - iii) make appropriate recommendations and present an action plan for fostering new improvements in the cash management of the Chilean Treasury.

III. Deliverables under the Advisory Services

1. The Consultants shall make a presentation to the Ministry on their preliminary findings and recommendations at the end of the mission provided for in Section 4 (General Provisions) of this Agreement.
2. The Bank shall draft and submit to the Ministry the Draft Report on or before April 30, provided that the Ministry may grant the Bank an extension of the deadline during the effective period of this contract.
3. The Ministry shall provide any comments it may have on the Draft Report on or before May 15, 2013 or the date that falls two weeks from the date on which the

Draft Report is provided to the Ministry as provided in sub-paragraph III.2 above, whichever is later.

4. The Bank shall deliver a final report (the "Final Report") to the Ministry on or before May 30, 2013 or the date that falls two weeks from the receipt of any comments on the Draft Report from the Ministry as provided for in sub-paragraph III.3 above, whichever is later.

IV. Date, Duration, and Cost of Advisory Services

1. In the interest of efficient service, work covered in this contract shall begin on the date of said contract. However, the contract shall come into effect on the date of completion of processing by Chile of the administrative instrument authorizing the said contract.
2. The cost of the Advisory Services to Chile shall not exceed US\$45,000 and shall cover the total cost thereof (including travel expenses for the Consultants), based on the customary fees charged by the Bank for technical advisory services of a similar nature related to public debt management. Chile shall pay the Bank as a fee for the Advisory Services as follows: (i) US\$1,500 per day in respect of Ms. Elizabeth Currie, which is the customary fee charged by the Bank for officials of her grade; (ii) US\$1,200 per day in respect of Mr. Mike Williams, a Bank contractor, which is the amount customarily charged by him to the Bank as a consultant.
3. Travel and accommodation expenses shall be those actually incurred, with the Bank's customary per diem being used to cover other travel-related expenses. The maximum total cost of the Consultant's services shall be US\$45,000, including the time worked by Ms. Elizabeth Currie and Mr. Mike Williams (a total of 20 working days), as well as all travel expenses.
4. The cost may be lower if fewer days are actually devoted to providing the Advisory Services.
5. Subsequent contact with the Ministry in order to obtain clarification or possible modifications to the Final Report shall be provided at no additional cost.

V. Consultants

1. The Bank shall appoint Ms. Elizabeth Currie and Mr. Mike Williams (or such other official as may be agreed between the Bank and the Ministry) as Consultants to carry out the aforementioned Advisory Services.

VI. Counterparts and Field Activities

1. The Bank's counterparts in Chile for purposes of this contract shall be the advisers in the Ministry, namely, Mr. Ignacio Briones and Mr. Patricio Sepulveda C., as well as any other official or adviser duly appointed by the Ministry.

2. Field activities conducted in the context of the Advisory Services, shall take place in Santiago, Chile.

VII. Payment

1. The Ministry shall pay the Bank a maximum of US\$45,000 based on the following installment plan:
 - a. Fifty percent of the total amount at the time of receipt by the Ministry of the Final Report as provided in paragraph III.4 of this Schedule, which shall be verified by Mr. Ignacio Briones.
 - b. Fifty percent of the total amount at the time of completion of the Advisory Services, to the satisfaction of the Ministry, which shall be verified in writing by Mr. Ignacio Briones.

Notwithstanding the above, payments will be made only after the Ministry has completed the administrative process of approval of this agreement”.

2. Each payment due on the dates indicated above shall be made by electronic transfer to:

| | |
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| Account Name | IBRD |
| Account Number | 2000192003476 |
| Bank | Wells Fargo Bank, N.A. |
| SWIFT BIC | PNBPUS3NNYC |
| ABA | 026005092 |
| Internal Route Code | PNBPNY |
| Please Reference | OUI 7819/IO#: 205453; AdvServFees Customer: MoF Chile |

SANTIAGO, CHILE

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

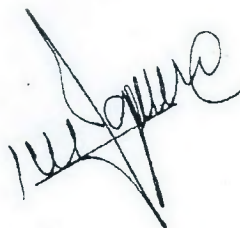
1818 H Street, N.W., Washington, D.C. 20433, U.S.A.

CERTIFICATE OF SECRETARY

On the following pages, please find a Certificate of the Secretary specifying those officers of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") authorized to perform certain acts in the name of and on behalf of IBRD and IDA, with the names, titles and specimen signatures of each such officer.

This Certificate supersedes all previous ones.

IN WITNESS WHEREOF, I have signed this certificate, as of March 20, 2013.

A handwritten signature in black ink, appearing to read 'Jorge Familiar', written in a cursive style.

JORGE FAMILIAR
Vice President and Corporate Secretary
**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**
Washington, D.C.

I, Jorge Familiar, the Vice President and Corporate Secretary of the International Bank for Reconstruction and Development (IBRD), and the International Development Association (IDA), hereby certify as follows:

Section A

The persons whose names, titles and signatures are set forth below are officers of IBRD and IDA, and each of them is authorized in the name of and on behalf of IBRD and IDA respectively and on behalf of IBRD and IDA acting respectively as agent, trustee, or administrator for others, as applicable, to sign any and all instruments or documents for all purposes.

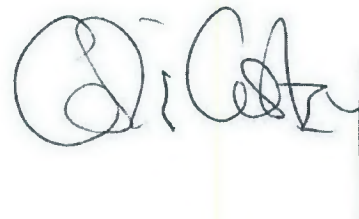
JIM YONG KIM
President



BERTRAND BADRE
Managing Director and Chief Financial Officer



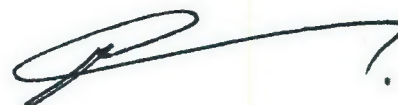
CAROLINE ANSTEY
Managing Director



SRI MULYANI INDRAWATI
Managing Director



ANNE-MARIE LEROY
Senior Vice President and General Counsel



Section D - 1

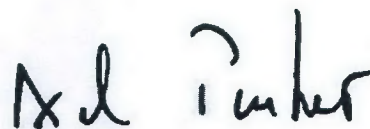
In addition to the officers whose signatures are shown in Section A, the persons whose names, titles and signatures are set forth below are officers of IBRD and IDA and each of them is authorized to sign in the name of and on behalf of IBRD and IDA respectively and on behalf of IBRD and IDA acting respectively as agent, trustee, or administrator for others, as applicable:

- contracts, instructions, notices, instruments and documents entered into by IBRD or IDA with central banks and other official institutions of member countries and international organizations (including institutions affiliated with IBRD in respect of technical assistance, advisory, or investment management services provided by IBRD or IDA to such entities.

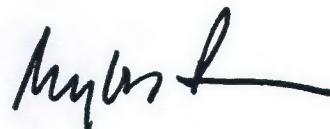
MADELYN ANTONCIC
Vice President and Treasurer



AXEL R. PEUKER
Director
Financial Advisory and Banking Department



MYLES D. BRENNAN
Director
Investment Management Department



Section D - 3

In addition to the officers whose signatures are shown in Section A, the persons whose names, titles and signatures are set forth below are officers of IBRD and IDA and each of them is authorized to sign in the name of and on behalf of IBRD and IDA respectively and on behalf of IBRD and IDA acting respectively as agent, trustee, or administrator for others, as applicable:

- agreements, contracts, confirmations, instructions, notices, instruments and documents entered into by IBRD or IDA with (a) its borrowers for purposes of derivative transactions entered into in connection with the hedging products offered to IBRD or IDA's borrowers and (b) market counterparts in relation to the transactions referenced in item (a) of this paragraph.

MADELYN ANTONCIC
Vice President and Treasurer

M. Antoncic

AXEL R. PEUKER
Director
Financial Advisory and Banking Department

Axel Peuker

DIANN DODD MARTIN
Director
Treasury Operations Department

Diann D. Martin

MINUTA

CONTRATACIÓN CON EL BANCO MUNDIAL.

Las relaciones con el Banco Mundial se enmarcan en la Ley N° 8.403, que establece que las relaciones entre el Gobierno de Chile y el Banco Internacional de Reconstrucción y Fomento (Banco Mundial) se mantendrán por intermedio del Ministerio de Hacienda.

El convenio en examen es un convenio que se celebra con el Banco Mundial, independiente de la calidad que tiene Chile de miembro de dicha Organización. Lo anterior se realiza de la misma manera como se ha contratado al BID o la OCDE para prestación de servicios específicos. La circunstancia de ser Chile miembro de la organización, determina la procedencia de la aplicación de las normas generales que rigen a la entidad con sus miembros, como arbitrajes en caso de controversias, otorgamiento de inmunidades o privilegios al staff del Banco, etc. En materia de indemnizaciones el convenio no hace excepciones, ya que la cláusula respectiva (14), se refiere a ellas, de conformidad "con las normas generales" y la cláusula discurre sobre aquellas.

La contratación se realiza en el marco de la Ley de Compras, como contratación directa acorde lo señalan sus considerandos.

Respecto a que la fecha de la resolución no coincide con la fecha de convenio, cabe tener presente que, de acuerdo a la cláusula 9, el convenio quedó supeditado a la fecha que finaliza la total tramitación del acto administrativo. En consecuencia quedó supeditado a su autorización y aprobación que se realiza por el acto administrativo que se examina, lo que se concilia con lo dispuesto en el artículo 52 de la Ley N° 19.880

El Banco realiza la prestación de servicios profesionales a través de consultores que designa el Banco. El contrato no es con los consultores, es con el Banco. Los honorarios del Banco se fijan en relación a las horas de trabajo de los consultores y contemplan como gastos asociados gastos que incurran los consultores.

La contratación efectuada durante el año 2008, es una contratación que se menciona el considerando tercero a título de referencia y antecedente de contratación anterior celebrada con el Banco Mundial.

Manuel Brito

27/05/2013