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1 General

1.1 Please list and briefly describe the principal legislation and regulatory bodies which apply to and/or regulate aviation in your jurisdiction.

Chilean Aeronautical Law considers national and international norms and statutes, both in the public and private spheres. Among the international conventions ratified by Chile are:

- The International Civil Aviation Convention (“Chicago Convention”), ratified by Chile in 1947.
- The Convention on Offences and Certain Other Acts Committed on Board Aircraft (“Tokyo Convention”), ratified in 1974.
- The Convention for the Suppression of Unlawful Seizure of Aircraft (“Hague Convention”), ratified in 1972.
- The Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (“Montreal Convention”), ratified in 1974.
- The Convention for the Unification of Certain Rules Relating to International Carriage by Air and Protocol Amending the Convention (“Warsaw Convention”), ratified in 1979.
- The Convention for the Unification of Certain Rules for International Carriage by Air, ratified in 2009.
- The Convention on the International Recognition of Rights in Aircraft, ratified in 1961.

The following are the national regulations:

- The Aeronautical Code, published in February 1990.
- Law No. 16,752, which establishes the organisation of General Directorate of Civil Aeronautics (“DGAC”), published in February 1968.
- DFL No. 241, which reorganises various services related to civil aviation, published in April 1960.
- DL No. 2,564, which establishes rules on commercial aviation, published in June 1979.

1.2 What are the steps which air carriers need to take in order to obtain an operating licence?

According to DAN No. 119, to obtain the Air Operator Certificate, the applicant must submit a letter of intent to the DGAC, indicating the company name, unique tax roll (*rol único tributario* – “RUT”), business address, main base, legal representative, type of proposed air operation (passenger transport, cargo or aerial work), and type of aircraft(s). Once the letter is submitted, the certification process consists of the following:

- Phase 1: A meeting between the applicant and the DGAC, where the applicant presents the project to the DGAC, and the DGAC provides information regarding the certification process and the “Air Operator Certificate Application” form, as well as an explanation on how to complete the application and compliance checklist.
- Phase 2: The applicant submits the required background information, which includes the operations manual, specifications related to specific operations and approvals, the minimum equipment list, routes, and demonstration tests.
- Phase 3: The DGAC evaluates the documentation submitted and informs the applicant of the approval, with the corresponding observations.
- Phase 4: The DGAC reviews and evaluates the information contained in the documents submitted by the operator, in order to determine compliance with the requirements regarding the aircraft, the main and auxiliary operating base, the instruction or training processes, and the performance of demonstration flights, among other things.
- Phase 5: Once the previous stages have been completed, the DGAC issues the Air Operator Certificate (“AOC”) and the corresponding operational specifications.

1.3 What are the principal pieces of legislation in your jurisdiction which govern air safety, and who administers air safety? Does this legislation adequately cover all the issues which tend to arise in your jurisdiction, or do you feel that certain amendments or additional laws would be desirable?

Title IV of the Aeronautical Code establishes the freedom of air traffic and the conditions for entry and exit of aircraft, the conditions for take-off, flight and landing of aircraft, and the conditions for the transport of dangerous objects and observation and recording instruments, as well as the documents to be carried by the aircraft during traffic. Likewise, Aeronautical Regulations (“DAR”) No. 92 and No. 121 establish the rules for operations and safety, both for commercial and non-commercial flights. The DGAC is the public entity responsible for the protection of air safety in civil aviation, and for the management and administration of public aerodromes and air navigation assistance services.

Currently, the regulations issued by the DGAC regarding aviation safety include the 19 annexes to the Chicago Convention, which establish basic standards and recommended practices for international civil aviation.

1.4 Is air safety regulated separately for commercial, cargo and private carriers?

Yes. Chilean Aeronautical Regulation (“DAN”) No. 92 establishes the operating rules for non-commercial aviation of small aircraft, large aircraft, turbine-powered aircraft and corporate aviation operations, while DAN No. 121 establishes the operating requirements for domestic, international, scheduled and non-scheduled commercial operations of air carriers holding an AOC performing domestic and international, scheduled and non-scheduled, passenger, cargo or mail Air Transport Services with aircraft over 5,700 kg and/or more than 19 passenger seats.

1.5 Are air charters regulated separately for commercial, cargo and private carriers?

No. Charter flights are not regulated by special regulations, and the common rules indicated in question 1.4 are applicable.

1.6 As regards international air carriers operating in your jurisdiction, are there any particular limitations to be aware of, in particular when compared with ‘domestic’ or local operators? By way of example only, restrictions and taxes which apply to international but not domestic carriers. Does the *status quo* tend to create an aviation market which is sufficiently competitive and open?

DAN No. 129 establishes the technical operational requirements regarding international operations of air carriers to and from the territory of Chile. In order to carry out international commercial air transport operations of passengers, cargo and mail, foreign air operators must apply for recognition from the foreign AOC, following a procedure consisting of the following stages: an initial meeting with the DGAC certification team; a formal application; an valuation of the documentation; and approval and granting of the AOC Recognition Certificate. However, the documentation requirement in the foreign AOC recognition process does not differ substantially from the requirement for obtaining an AOC, although certain legal and commercial background information is specifically required with respect to foreign operators. In this sense, there are no particular restrictions or limitations to accessing the national civil aviation market.

1.7 Are airports state or privately owned? Are there any plans to alter this position?

In Chile, the Ministry of Public Works is the owner of the 16 airports that make up the Primary Airport Network. However, the management and operation of 11 of these airports is concessioned to private companies, while the remaining five airports are managed by the DGAC. Currently, there are no plans to substantially modify the ownership of the country’s airport infrastructure, although the construction and expansion of the existing infrastructure may be concessioned to private companies.

1.8 Do the airports impose requirements on carriers flying to and from the airports in your jurisdiction?

The requirements for airlines flying to and from national airports are established in DAR No. 6, which regulates aircraft

operations, and DAN No. 91 on rules of the air. However, the DGAC has issued procedures for the operational safety and operation of aircraft in civil airfields for public use administered by the DGAC. In the case of airports under concession, the concessionaire is responsible for establishing the operating conditions for aeronautical services and the operating plans and procedures for safety, risk prevention, accidents and other contingencies.

1.9 What legislative and/or regulatory regime applies to air accidents? For example, are there any particular rules, regulations, systems and procedures in place which need to be adhered to? Do you believe that there are any changes which would be of benefit to the existing regime?

The Aeronautical Code establishes that the aeronautical authority, that is, the DGAC and the Civil Aeronautical Board (“JAC”), are in charge of investigating aircraft accidents and incidents occurring in national territory. In this sense, the purpose of the investigation is to determine the cause of the accident or incident and to adopt measures to avoid its repetition. In addition, the DGAC has issued regulations, aeronautical standards and procedures that regulate the investigation of aviation accidents or incidents, among which are DAR No. 13, DAN No. 13 and DAP No. 13. In this regard, the national regulations are updated with respect to the latest amendments made to Annex 13 of the Chicago Convention, which regulates the investigation of air accidents and incidents.

1.10 Have there been any recent cases of note or other notable developments in your jurisdiction involving air operators and/or airports?

There have been no recent notable cases. However, in early December 2024, the Ministry of Public Works announced an investment of more than US\$3 billion to improve the infrastructure of 19 facilities that make up the primary airport network. This investment, to be made over the next five years, includes infrastructure conservation works, expansion and improvement of terminals, runways and aircraft equipment, and even the construction of a temporary terminal in Mataverí, Rapa Nui.

1.11 Are there any specifically environment-related obligations or risks for aircraft owners, airlines, financiers, or airports in your jurisdiction, and to what extent is your jurisdiction a participant in (a) the EU Emissions Trading System (EU ETS) or a national equivalent, and (b) ICAO’s Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)?

The construction of airports that may affect protected areas must undergo a prior environmental impact assessment to obtain applicable approvals and permits. Chile is not part of the EU Emissions Trading System. However, Chile participates in global climate initiatives, such as the Paris Agreement, and has its own climate policies and frameworks, including the development of voluntary and regulated carbon markets. Additionally, Chile has ratified the Kyoto Protocol and collaborates with international programmes to reduce greenhouse gas emissions. Chilean law establishes an annual tax

levied on air emissions of carbon dioxide, particulate matter (“PM”), nitrogen oxides, and sulphur dioxide, applied to facilities whose emission sources release 100 or more tons of PM annually or 25,000 or more tons of CO₂ annually. Within this framework, there is an Emissions Compensation System through which taxpayers may offset their taxable emissions by implementing projects aimed at reducing emissions of the same pollutant.

2 Aircraft Trading, Finance and Leasing

2.1 Does registration of ownership in the aircraft register constitute proof of ownership?

The registration of ownership in the aircraft register constitute a presumption of ownership. The National Aircraft Registry maintains the Aircraft Registration and Ownership Registry, and the Aircraft Liens and Prohibitions Registry.

To register the ownership of an aircraft, the applicant must provide a copy of the public deed or a notarised private instrument that proves the acquisition. Without this registration, ownership transfers do not have legal effect before third parties. Once registration is complete, the Registrar can issue a certificate that includes essential details such as ownership, mortgages, liens, and judicial measures affecting the aircraft. Additionally, the certificate identifies both the owner and the operator of the aircraft, with a legal presumption that the owner is also its operator.

However, while the certificate is referred to as one of “ownership”, under Chilean civil law, it primarily establishes possession rather than true legal ownership (*dominio*). In accordance with general principles, possession is presumed to imply ownership unless someone else demonstrates a superior legal claim. Consequently, the registration of an aircraft constitutes a simple legal presumption of ownership.

This regulatory framework aligns with the requirements of the Geneva Convention of 1948, which mandates that national registries provide *prima facie* evidence (initial evidence sufficient to establish the recorded rights unless proven otherwise) of the content of their records.

2.2 Is there a register of aircraft mortgages and charges? Broadly speaking, what are the rules around the operation of this register?

The Aircraft Lien and Prohibitions Registry includes the registration of mortgages, other liens, prohibitions on aircraft, and privileged credits related to them, as well as seizures, detentions, and precautionary measures affecting aircraft. Additionally, this registry allows for the registration of acts and contracts through which operational control is transferred or assigned, such as lease agreements, aircraft charters, and aircraft exchange agreements.

As a general rule, entries cannot be made in the Registry of Liens and Prohibitions unless the aircraft in question is also registered in Chile. Although only aircraft owned by Chilean individuals or legal entities can be registered, there are exceptions for: (a) foreign legal entities with permanent operations in Chile; and (b) foreign aircraft registered in Chile under a lease agreement, provided the operator is a Chilean aviation company. This provision allows a foreign legal entity to transfer operational control of an aircraft to another party.

2.3 Are there any particular regulatory requirements which a lessor or a financier needs to be aware of as regards aircraft operation?

Any agreement by which an aircraft owner transfers operational control to another party must be formalised either by a public deed or by a private instrument duly notarised before a notary public. Although registration of the lease or other agreement transferring operational control with the National Aircraft Registry is not legally required for its validity or enforceability, it is strongly recommended. Failure to register such agreements makes the aircraft owner jointly and severally liable along with the operator for any damage caused by the aircraft.

2.4 As a matter of local law, is there any concept of title annexation, whereby ownership or security interests in a single engine are at risk of automatic transfer or other prejudice when installed ‘on-wing’ on an aircraft owned by another party? If so, what are the conditions to such title annexation and can owners and financiers of engines take pre-emptive steps to mitigate the risks?

There is no specific provision under Chilean law. As a result, this matter must be analysed under general property principles established in civil law. The Civil Code recognises the concept of “accession” as a way of acquiring ownership. Therefore, it provides guidelines for the ownership and incorporation of one object (e.g., an engine) into another (e.g., an aircraft). According to these principles, if two physically attached objects can be separated without causing damage, they may be treated as independent and movable. Therefore, ownership of the engine may remain distinct if it is clearly separable and identifiable without harm.

Additionally, since Chile has not ratified the Cape Town Convention, engine ownership rights in Chile are not governed by the International Registry.

To mitigate the risks of automatic transfer or prejudicial treatment, the best pre-emptive action is to explicitly address this matter in lease, financing, or other relevant agreements. Such agreements should clearly specify the treatment of engines upon installation, in cases of default, or in relation to liens and encumbrances. Separate pledges can also be created on the engines, under the general rules for pledges on movable assets.

2.5 What (if any) are the tax implications in your jurisdiction for aircraft trading as regards a) value-added tax (VAT) and/or goods and services tax (GST), and b) documentary taxes such as stamp duty; and (to the extent applicable) do exemptions exist as regards non-domestic purchasers and sellers of aircraft and/or particular aircraft types or operations?

Value Added Tax (VAT)

In Chile, VAT is levied at a rate of 19% on the habitual sale of goods and real property (excluding land) located in Chile, as well as services rendered or utilised in the country. For services, VAT applies when the activity generating the service is developed in Chile, regardless of where it is utilised. VAT also applies to special taxable events, such as imports and other specific services. Aircraft leasing is classified as a “service” for VAT purposes.

The VAT payable is determined by a credit/debit system, by virtue of which the VAT that has been levied on the purchase of goods, services and special taxable events (i.e., import) forms an asset account, called VAT Tax Credit, that may be offset against the VAT charged on sales made and services rendered (Fiscal Debit). The excess of Fiscal Debit should be declared and paid monthly. If the VAT Tax Credit exceeds the tax payable, the excess can be carried forward indefinitely.

Under Article 8 of DL 2,564, specific tax benefits are provided for the importation and leasing of aircraft:

- 1) The General Treasurer of the Republic is allowed to accept promissory notes or bills of exchange for the total amount of VAT generated by the importation or leasing of aircraft. These instruments do not accrue interest or adjustments and must mature by the end of the sixth VAT period.
- 2) Upon maturity, the importer can offset any remaining VAT Tax Credit – including those derived from the same importation – against the notes. Any residual credit may either be applied to other tax obligations or refunded.

In practice, this mechanism enables VAT exemption or deferral.

Lastly, passenger or cargo transportation carried out or utilised in Chile is subject to VAT. However, VAT law provides exemptions for (i) income derived from passenger transportation contracts, and (ii) international air cargo transportation.

Stamp Tax

Documents supporting loans and money credit operations are subject to stamp tax on their principal amount at a rate equal to the lesser of (a) 0.8%, and (b) 0.066% multiplied by the number of months or fraction of a month from the issuance of the document until its maturity.

Regarding foreign money credit operations executed abroad, the Stamp Tax accrues either upon the arrival of the document to Chile, when it is notarised in Chile, or when the money credit operation is accounted for in Chile.

Stamp Tax should be applied only to the extent that taxable events are triggered in an aircraft trading operation (i.e., documented money credit operations, loans, notes, among others).

2.6 Is your jurisdiction a signatory to the main international Conventions (Montreal, Geneva and Cape Town)?

Chile is a signatory to the following conventions:

- **Chicago Convention 1944:** ratified in 1947.
- **Geneva Convention 1948:** ratified in 1955.
- **Tokyo Convention 1963:** ratified in 1974.
- **Hague Convention 1970:** ratified in 1972.
- **Montreal Convention 1999:** ratified in 2009.
- **Cape Town Convention 2001:** Chile has not yet ratified the Cape Town Convention.

2.7 How are the Conventions applied in your jurisdiction?

The question of whether international treaties have self-enforcement effects is a debated topic. The most widely accepted view is that only human rights treaties are considered to have self-executing effects, meaning they can be directly applied by courts without requiring additional legislation. Other types of treaty typically require implementing legislation to be enforceable within the domestic legal system.

In this context, the provisions of treaties related to aviation matters would not be directly enforceable in court. Therefore, their integration into the national legal framework – such as the Aviation Code or other relevant legislation – is required to ensure their effective applicability.

2.8 Does your jurisdiction make use of any taxation benefits which enhance aircraft trading and leasing (either in-bound or out-bound leasing), for example access to an extensive network of Double Tax Treaties or similar, or favourable tax treatment on the disposal of aircraft?

In Chile, withholding tax (“WHT”) applies to Chilean-source income earned by non-resident individuals or entities when the income is paid or made available. Chilean-source income is defined as income derived from goods located in Chile or services rendered within the country. Aircraft trading and leasing in Chile benefit from specific tax rules, as detailed below:

- **Leasing:**
 - Generally, aircraft lease payments to foreign lessors are subject to WHT at a rate of 35%, which must be withheld, declared, and paid by the lessee.
 - However, article 6 of DL 2.564 exempts national commercial airlines from WHT on lease payments made to foreign lessors.
- **Disposal:**
 - Capital gains from the sale of assets located in Chile by non-resident entities are generally subject to WHT at a 35% rate. For aircraft, the Chilean IRS has ruled that registration determines the location of the asset. Thus, gains from the disposal of aircraft registered in Chile may be subject to WHT at a 35% general rate.
 - Chile has a broad network of double tax treaties, which typically stipulate that capital gains from the sale of aircraft, or movable property related to such operations, are taxable only in the seller’s state of residence.
- **Other aviation-related services:**
 - Payments made to non-residents for technical assistance, services performed abroad, interest, aircraft lease payments, or other aviation-related activities by national commercial airlines are exempted from WHT, provided they relate to the airline’s ordinary business operations.
 - Additionally, payments for aircraft insurance premiums, freight, and other aviation-related activities to non-established companies are exempt from WHT in Chile.
 - Double Tax Treaties (both general and aviation-specific) restrict the source country’s taxing rights over profits derived from the operation of aircraft in international traffic, allowing taxation solely in the beneficiary’s state of residence. Chile has signed aviation-specific treaties with countries such as Venezuela, Germany, and Singapore, which do not have a general Tax Treaty with Chile.

These rules, combined with Chile’s network of tax treaties, provide favourable tax treatment for leasing, disposal, and other aviation-related transactions, making Chile an attractive jurisdiction for international aircraft operations and financing.

2.9 To what extent is there a risk from the perspective of an owner or financier that a lessee of aircraft or other aviation assets in your jurisdiction may acquire an economic interest in the aircraft merely by payment of rent and thereby potentially frustrate any rights to possession or legal ownership or security?

We do not see such a risk under Chilean Law.

3 Litigation and Dispute Resolution

3.1 What rights of detention are available in relation to aircraft and unpaid debts?

In Chile, the right of detention of aircraft for unpaid debts is not explicitly regulated, and is considered inadmissible if there is no legal provision establishing it, or if the parties have not agreed to it contractually. In any case, to be enforceable, this right requires a court judgment recognising it, by way of precautionary measures or other proceedings. Once the creditor's (or lessor's) right is judicially recognised, it allows the holder to obtain repossession (in the case of a lease), or eventually foreclosure the asset (in the case of debt financing) to satisfy the corresponding debt.

3.2 Is there a regime of self-help available to a lessor or a financier of an aircraft if it needs to reacquire possession of the aircraft or enforce any of its rights under the lease/finance agreement?

In Chile, self-help or “*autotutela*” is generally prohibited, and is considered contrary to public order unless explicitly authorised by law.

In the absence of such a provision, lessors or financiers must resort to the courts to enforce their rights. This typically involves requesting precautionary measures, such as the judicial seizure (“*embargo*”) of the aircraft, through the civil courts.

3.3 Which courts are appropriate for aviation disputes? Does this depend on the value of the dispute? For example, is there a distinction in your jurisdiction regarding the courts in which civil and criminal cases are brought?

The amount in dispute does not affect court jurisdiction, as jurisdiction is determined by the nature of the conflict.

Disputes between private parties related to air transport contracts or commercial agreements are typically heard by civil courts. In contrast, criminal disputes involving offences outlined in the Aeronautical Code are generally under the jurisdiction of Aviation Courts, unless the accused are civilians. In such cases, jurisdiction falls to the ordinary criminal courts.

Disputes arising from administrative sanctions, permits, or the interpretation of aeronautical regulations are heard by the relevant jurisdictional authority, which will depend on the specific decision being challenged (e.g., the “DGAC”).

3.4 What service requirements apply for the service of court proceedings, and do these differ for domestic airlines/parties and non-domestic airlines/parties?

Notifications (service of process) are generally required to be made personally unless the recipient cannot be located. For individuals or entities domiciled abroad, service is typically

carried out via a letter rogatory (“*exhorto*”) sent through judicial or consular authorities.

Domestic airlines and other parties are subject to Chilean procedural rules like any other domestic entity. Their legal representatives will be notified and must respond to summons or notifications served under these rules.

Non-domestic airlines or parties operating in Chile are subject to Chilean jurisdiction for disputes arising within its territory. Their representatives in Chile will be served with legal notifications and are responsible for responding to actions brought against them.

3.5 What types of remedy are available from the courts or arbitral tribunals in your jurisdiction, both on i) an interim basis, and ii) a final basis?

Both courts and arbitral tribunals can grant remedies on an interim or final basis. Interim remedies include precautionary measures such as asset seizures, prohibitions on property transfers, and other actions aimed at securing the outcome of proceedings. However, if an arbitral tribunal orders a remedy requiring enforcement, civil courts must be approached for enforcement.

Regarding final decisions, both civil and arbitral tribunals possess broad authority to resolve disputes. The court's decision, however, is limited to addressing the relief requested by the parties. Final remedies may include declaratory relief, specific performance, monetary compensation for material and moral damages, and the rescission or nullity of contracts, among other things.

3.6 Are there any rights of appeal to the courts from the decision of a court or arbitral tribunal and, if so, in what circumstances do these rights arise?

Decisions from courts or arbitral tribunals may be appealed or challenged under specific circumstances. Court decisions can generally be appealed to a higher court if they meet the requirements established in the Code of Civil Procedure. Additionally, extraordinary remedies are available, such as:

- *Recurso de casación*, which addresses violations of procedural or substantive law, aiming to annul a decision that is legally flawed.
- *Recurso de queja*, which is used to address gross errors or abuse of authority in the issuance of judicial decisions.

For arbitral tribunal decisions, the scope of appeals is typically governed by the terms of the arbitration agreement. However, certain remedies are non-waivable, including:

- *Recurso de casación*, applicable in cases of lack of jurisdiction or *ultra petita*.
- *Recurso de queja*, to address gross error or abuse in the arbitral decision.

These mechanisms aim to ensure procedural fairness and the proper application of the law.

3.7 What rights exist generally in law in relation to unforeseen events which might enable a party to an agreement to suspend or even terminate contractual obligations (in particular payment) to its contract counterparties due to *force majeure* or frustration or any similar doctrine or concept?

The concepts of *force majeure* (*caso fortuito* o *fuerza mayor*) and impossibility of performance (*imposibilidad de cumplimiento*)

offer mechanisms to suspend or terminate contractual obligations when unforeseen events render their performance impossible or excessively burdensome. In the event of a dispute over their applicability, the matter will be resolved by the courts.

Force majeure is defined in the Civil Code as an unforeseeable and irresistible event beyond the control of the parties. Such events may lead to a temporary suspension or permanent termination of obligations if performance becomes impracticable. Additionally, the law acknowledges termination due to impossibility of performance, which provides for discharge when compliance is rendered unfeasible.

Contracts often include specific *force majeure* clauses. These contractual provisions typically prevail over legal general principles.

3.8 Is there any trend developing towards regulatory support in civil justice for out-of-court solutions and the importance of engaging in Alternative Dispute Resolution (or similar)? If so, what (if any) are the implications for the answers in questions 3.1–3.7 inclusive?

Alternative dispute resolution methods are increasingly encouraged in Chile, particularly through the use of arbitration. The Arbitration and Mediation Center of the Santiago Chamber of Commerce actively promotes mediation as a preferred method of resolving disputes. As a result, it has become common to find contracts with stepped arbitration clauses, stipulating that parties must first attempt mediation before initiating arbitration proceedings.

4 Commercial and Regulatory

4.1 How does your jurisdiction approach and regulate joint ventures or other forms of partnership and/or alliances between airlines? In your opinion, are there any improvements to the existing regime which would be advisable?

The JAC has established free access to markets, free pricing, minimum intervention by the authority, and liberalisation of ownership and control as principles of Chilean aviation policy. These factors have contributed to Chile being the least restricted country in the OECD in the air transport market. However, horizontal cooperation agreements between airlines are subject to the common regulation established in Competition Law aimed to prevent and sanction competition related infringements.

4.2 How do the competition authorities in your jurisdiction determine the 'relevant market' for the purposes of mergers and acquisitions?

The Chilean Competition Court ("TDLC") and Chilean Competition Agency ("FNE") have broadly segmented the air transport market between passengers and cargo from a product market definition, but have not deeply analysed the charter segment. Moreover, the FNE has established that this market can be characterised as a network industry composed of the various transportation routes from origin to destination ("O&D").

Within the regular passenger transportation market, the FNE has defined the market as that of scheduled passenger air transport services at the O&D pair level, with emphasis on the

city to city combination in a geographical scope. This definition is based on the demand side perspective, as consumers value the different possible ways to travel between an O&D pair without generally considering another flight between a different O&D pair as a substitute.

Regarding cargo transportation, the FNE has defined the relevant product market as that of scheduled air cargo transportation services. On the geographic dimension of this market, the TDLC and the FNE have adopted a broader scope, considering as a relevant market the air cargo transportation at country-country and country-continent level, in a unidirectional way, including flights with and without stopover.

4.3 Does your jurisdiction have a notification system whereby parties to an agreement can obtain regulatory clearance/anti-trust immunity from regulatory agencies?

Chilean Competition Law establishes a mandatory *ex ante* merger control regime, by means of which concentration operations with effects in Chile, that meet or exceed the certain turnover thresholds, must be mandatorily notified to the FNE prior to its implementation (standstill obligation/suspensory effect).

There are also voluntary filings for concentrations below mandatory thresholds, as well as granting the FNE the possibility of opening *ex officio* investigations on below-threshold transactions for up to one year post-closing. Once the concentration is cleared by the FNE, the parties may proceed with its implementation.

Finally, acquisitions of minority shareholding in a competitor trigger a post-closing filing obligation.

4.4 How does your jurisdiction approach mergers, acquisition mergers and full-function joint ventures? In your opinion, are there any improvements to the existing regime which would be advisable?

Chilean Competition Law establishes the following means for concentrations: (a) mergers, regardless of the type of corporate organisation; (b) acquisitions of decisive (material) influence in another entity's administration; (c) full-functional joint ventures; and (d) acquisition of assets' control.

Regarding mergers, the FNE's broad interpretation includes: (i) incorporation mergers; (ii) absorption mergers; and (iii) any combination of economic activities of previously independent economic agents, resulting in the creation of an economic unit.

Regarding full-functional JVs, the FNE emphasises two requirements:

- The creation of a new economic entity – whether or not controlled by its constituents.
- Full functionality, from an economic and regulatory perspective.

4.5 Please provide details of the procedure, including time frames for clearance and any costs of notifications.

Once the parties have filed a notification, the FNE has 10 business days to declare it complete. If not, the parties have 10 business days to submit a complementation.

Phase I review stage: once the notification is complete, the FNE issues a notice of completeness and Phase I starts. This phase has a statutory term of up to 30 business days and can be suspended for up to 10 working days each time the parties offer commitments to the FNE.

Following Phase I, the FNE may either decide to: (a) unconditionally clear the transaction; (b) approve the transaction subject to remedies; or (c) extend the investigation to a second in-depth review stage (Phase II).

Should the FNE preliminary conclude that the transaction might have the ability to restrict competition, the investigation will be extended to Phase II (in-depth review). Phase II has a statutory term of up to 90 working days and can be suspended for up to 15 working days each time the parties offer commitments.

Following Phase II, the FNE may either decide to: (a) unconditionally clear the concentration; (b) approve the concentration subject to remedies; or (c) prohibit the concentration. The parties have the right to challenge prohibitions decisions before the TDLC.

Finally, there are no filing fees in Chile.

4.6 Are there any sector-specific rules which govern the aviation sector in relation to financial support for air operators and airports, including (without limitation) state aid?

Currently, there is a national subsidy for paid public passenger transportation services, which includes air transportation services. However, this subsidy only benefits services carried out in the Regions of Arica and Parinacota, Tarapacá, Aysén, Magallanes and Antarctica, and the Provinces of Palena and Chiloé, or in other areas considered isolated. On the other hand, concession companies in charge of the operation and administration of airports receive state funds through the national concession system, according to the terms and conditions established in the respective bidding basis.

4.7 Are state subsidies available in respect of particular routes? What criteria apply to obtaining these subsidies?

Yes, there are routes that connect isolated localities in the Regions of Valparaíso, Biobío, Los Lagos, Aysén and Magallanes. The bidding requirements for public air passenger transportation services are established in each bidding process and are defined in the bidding conditions of each process.

4.8 What are the main regulatory instruments governing the acquisition, retention and use of passenger data, and what rights do passengers have in respect of their data which is held by airlines and airports?

The collection and processing of personal data is governed by Data Protection Law (“DPL”). According to DPL, data subjects have the rights of access or information, modification, cancellation or suppression and blocking.

Please note that a substantial amendment to the DPL will enter into force on 1 December 2026, which will regulate to a greater extent the rights of data subjects, and incorporate the right to portability.

4.9 In the event of a data loss by a carrier, what obligations are there on the airline which has lost the data and are there any applicable sanctions?

The DPL obliges data controllers to maintain the confidentiality of the personal data they process, to take care of them

with due diligence and to be liable for any damage caused. Currently, the DPL establishes sanctions with respect to the exercise of the rights of data subjects, but it does not establish a specific sanction referring to the loss of personal data. Fines in the DPL amount to approximately USD 3,400.

However, the amended DPL will establish the Data Protection Agency and detail the security obligations of data controllers and processors, including the duty to implement measures against data loss. It will also establish fines of up to approximately USD 1,400,000, which may be tripled in cases of recidivism. Additionally, for repeated very serious infringements within a 24-month period, the Data Protection Agency may order the partial or total suspension of the data processing operations and activities carried out by the data controller for up to 30 days.

4.10 What are the mechanisms available for the protection of intellectual property (e.g. trademarks) and other assets and data of a proprietary nature?

IP rights are recognised by the Chilean Constitution, Chilean law, and international treaties signed by Chile. The main laws governing IP are Industrial Property Law and Copyright Law.

Chilean IP laws follow the standards established in international treaties signed by Chile on this matter, such as the Paris Convention, the Berne Convention, and the Trade Related Aspects of Intellectual Property Rights (“TRIPS”), among others.

The National Institute of Industrial Property (“INAPI”) is in charge of the registry of industrial property rights. On the other hand, copyright and related rights can be registered (although such registrations are not required to obtain protection) before the Intellectual Rights Department.

Infringement of IP rights is subject to criminal penalties, as well as compensation and damages. Such claims must be brought before the civil or criminal courts (depending on the type of relief claimed) as there are no specialised courts for IP infringement.

4.11 Is there any legislation governing the denial of boarding rights, delayed flights and/or cancelled flights? Is this legislation adhered to and well monitored?

Consumer Protection Law and the Aeronautical Code establish clear rights for passengers and corresponding obligations for airlines in case of denied boarding, delays or cancellation of flights.

Passengers are entitled to various rights depending on the circumstances, including the option to board the next available flight with the same airline, secure alternative transportation, receive assistance benefits (such as meals, accommodation, or communication services), request refunds, and claim compensations, among other things.

These laws are complied with by airlines and regularly enforced by the National Consumer Service (“SERNAC”) and Chilean courts.

4.12 What powers do the relevant authorities have in relation to the late arrival and departure of flights?

The SERNAC is responsible for monitoring compliance with consumer protection regulations in such cases, and enforce consumer rights before the competent courts.

4.13 Are the airport authorities governed by particular legislation? If so, what obligations, broadly speaking, are imposed on the airport authorities?

According to the National Civil Aviation Safety Program (“PNSAC”) of the DGAC, the airport authority is the authority responsible for the administration of the aerodrome. Among its responsibilities are to establish and maintain an aerodrome security programme and an aerodrome contingency plan, and coordinate with government agencies, aircraft operators, air terminal operators and service companies to comply with the security programme.

4.14 To what extent does general consumer protection legislation apply to the relationship between the airport operator and the passenger?

If the relationship can be qualified as a “consumer relationship” then consumer protection legislation will apply. Although there is often no “direct” contractual relationship between airport operators and passengers, it may be possible to construe a “consumer relationship” based on the payment of boarding fees for access and use of the airport facilities or other services provided by airport operators.

4.15 What global distribution suppliers (GDSs) operate in your jurisdiction?

We are not aware of any.

4.16 Are there any ownership requirements pertaining to GDSs operating in your jurisdiction?

No, there are no such requirements.

4.17 Is vertical integration permitted between air operators and airports (and, if so, under what conditions)?

Generally, vertical integration between airports and air operators is not permitted by competition authorities. However, the

TDLC has established that it would exceptionally be permitted if a company participated in an airport bidding and at the same time was related to:

- a) small aircraft commercial transportation companies in the terms defined by the DGAC (i.e., commercial airlines authorised to carry out air activities in aircrafts with a maximum take-off weight of 5,700 kg and a capacity of up to 19 passengers, in “normally non-scheduled flights and/or at the request of the company”); or
- b) companies engaged in forest firefighting, agricultural work or other minor airline services.

In both cases, these related entities cannot use a “relevant portion” of the concessioned airport or its facilities.

4.18 Are there any nationality requirements for entities applying for an Air Operator’s Certificate in your jurisdiction or operators of aircraft generally into and out of your jurisdiction?

No, there are no such requirements.

5 In Future

5.1 In your opinion, which pending legislative or regulatory changes (if any), or potential developments affecting the aviation industry more generally in your jurisdiction, are likely to feature or be worthy of attention in the next two years or so?

Enhanced consumer protection regulations, in addition to the more active role of SERNAC, may entail increasing challenges to carriers and other industry players, including in situations when the relation with consumers is handled through third-party agencies. This, complemented with the new landscape on data protection laws to become effective in 2026. In addition, potential initiatives to ratify the Cape Town Convention are to be seen, although the outcome of this discussion remains uncertain.



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