



## Comprehensive Economic Partnership Agreement (CEPA)

### United Arab Emirates & Chile Legislative process update

On July 22, 2025, the Committee on Foreign Affairs of the Chilean Senate unanimously approved the **Comprehensive Economic Partnership Agreement (CEPA)** entered by and between the United Arab Emirates (**UAE**) and the Republic of Chile (**Chile**) on July 29, 2024, in Abu Dhabi, marking a decisive step in its legislative process for approval.



The CEPA constitutes the first commercial integration treaty between Chile and a member state of the Gulf Cooperation Council (GCC), which comes as a result of an evergrowing exchange between Chile and the UAE in the last decade.

Although Chile and the UAE have previously entered other commercial bilateral treaties in matters of double taxation (2022) and customs cooperation (2024), the CEPA stands out as a significant milestone with regard to the deepening and strengthening of economic ties between both countries.



### Relevant features

The CEPA's most relevant features are the following:

- **Trade in goods:** establishment of **preferential tariffs** and **market access rules** promoting transparency, non-discriminatory treatment and elimination of unnecessary barriers to commerce. Measures include the elimination of tariffs by the UAE on up to 97% of Chilean products - with an additional 1% to be liberalized in the third year - and **Chile will grant zero tariffs on up to 99% of imports from the UAE** - with a gradual phase-out for an additional 0.5%.
- **Public Procurement:** the CEPA grants Chilean suppliers access to the UAE's public procurement market under international rules, promoting transparency, the use of electronic means, and **national treatment for Chilean companies**.
- **Investment Promotion:** the agreement aims to attract bilateral investment by fostering a favourable environment, including the **creation of an Investment Promotion Council** and a **commitment to sign a bilateral investment treaty**. Nowadays, investment from UAE in Chile is permitted under Chilean Law. All investment is protected by the Chilean Constitution, which guarantees a non-discriminatory treatment in economic matters, economic freedom and the right to property, among others.
- **Trade in Services:** rules for cross-border trade in services are established in the CEPA, encouraging **mutual recognition of licenses and regulations** to facilitate the integration of service providers.
- **Digital Trade:** the agreement promotes **free electronic commerce and access to digital markets**, ensuring the **free flow of data**, avoiding forced data localization, and maintaining the moratorium on digital tariffs.
- **Economic Cooperation:** It includes initiatives in **areas such as environment, labor, and chambers of commerce**, with a cross-cutting and practical approach.



**In all, the CEPA is projected to increase non-oil bilateral trade to USD 750 million by 2030, boosting the value of UAE exports by USD 247 million by 2030, according to official UAE estimates.**

### Next steps in the legislative process:



[1] Note that at the end of 2025 parliamentary elections will take place.

For more information, please contact:



IGNACIO ARTEAGA

iarteaga@agycia.cl

+56 2294 76801