

Doing Business in CHILE



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Andersen Global® was established in 2013 as an association of legally separate, independent member firms, with a worldwide presence and comprised of professionals that share a common background and the same vision no matter the location where they are.

Our growth is a byproduct of the outstanding client service delivered by our people, the best professionals in the industry and our objective isn't to be the biggest firm, it is to provide best-in-class client services in seamless fashion across the globe.

Outstanding client service
has and will continue to be
our top priority.

Our professionals are selected based on quality, like-mindedness, and commitment to client service and each and every one of the professionals that are a part of Andersen Global share our core values.

Andersen Global was established to create an enduring place – ONE FIRM where clients across the globe are afforded the best, most comprehensive tax and legal services provided by skilled staff with the highest standards.

Outstanding client service has and will continue to be our top priority.



2.

Country Highlights

Chile is a republic with a unitary, democratic, decentralized and presidential government, located in the southwest of South America. Its official language is Spanish.

It is a country with varied geography. Chile is a tri-continental country, as it has national territories in South America (Continental Chile), Oceania (Archipelago Juan Fernández, Easter Island, among others) and Antarctica.

It has a population of approximately 19 million people. Its gross domestic product in 2020 was approximately USD \$253 billion.

The Chilean currency is called *Peso*, and its abbreviation is CLP.

It has been distinguished to have a stable political landscape in the last 30 years. Currently, there is an ongoing constitutional process approved by 78% of the population to carry out a new constitution for the country.

For the past decade, Chile has been one of Latin America's fastest-growing economies. It has had sustained economic growth and social reforms that have been recognized by several international organizations. Currently, Chile holds a reputation for general macro-economic stability.



3.

Investment Climate

Chile has established itself as a strong trading partner for many countries around the world. This is largely due to its open market policies, zero export tax, democratic government, solid business practices, and low corruption standards. It is consistently the highest-ranked country in Latin America in terms of economic competitiveness. According to the World Economic Forum's Global Competitiveness Report of 2019, Chile maintained its ranking of 33rd in world competitiveness.

Currently, Chile continues to pursue market-oriented strategies, expand global commercial ties, and actively participate in international issues and hemispheric free trade.

Chile supports economic activities, entrepreneurship, innovation, and the competitiveness of all companies through special norms and benefits available to companies legally constituted in the country.

Companies operating in Chile have access to a broad network for the promotion of entrepreneurship, innovation, and research that comprises a series of government agencies, which offer different support programs, including principally:

- InvestChile: Government agency responsible for promoting Chile in the global market as a destination for foreign direct investment, serving as a bridge between the interests of overseas investors and the business opportunities the country offers, and providing world-class services that are in line with the country's economic development policies



- ProChile: Export promotion agency, which focuses on contributing to Chile's economic development through the country's promotion overseas and the sustainable internationalization of its companies
- CORFO: Economic development agency, which focuses on fostering the country's competitiveness and economic diversification through the promotion of investment
- SENCE: National training and employment service, which focuses on the creation of competitiveness of companies and the employability of people through public policies

Incentives for Foreign Investment

The principal institution offering incentives for overseas companies is CORFO. The most important incentives for the implementation of an investment project are the following:

- Program of Support for Projects at the Pre-Investment Stage: This program supports the preparation of pre-investment studies to facilitate and

foster decisions to implement or expand investments. It finances up to 70% of the cost of studies, up to a maximum of USD \$250,000, for investment projects worth over USD \$2 million.

- Integrated Promotion Initiatives: These support the implementation of new technology investment projects or the expansion of existing projects and can co-finance up to 30% of investments during the first two years of projects worth over USD \$2 million (maximum co-financing of USD \$5 million), the insertion and training of specialized human capital, activities related to supplier development, and the expenditure on technological assets (finances up to 30% of the total cost of the approved subsidy).

Research and Development

Under Law 20.241, a tax benefit is available for investment in research and development (R&D). This consists of the right to a credit against first category tax from which companies can deduct up to 35% of the amount devoted to R&D activities. The amount that does not serve as a tax credit or, in other words, 65% of the total outlay can be treated for tax purposes as an expense necessary to generate income, regardless of the company's sector of activity.

Investment in Remote Areas

Chile seeks to foster the development of parts of the country (Northern Regions and Southern Regions), through a series of different benefits:

- Tax credit for investments: This benefit consists of a credit that companies investing in immovable physical assets can set against first category tax. It is calculated as a percentage of the amount invested in the region (from 10% to 40%) and can be deducted from the total first category tax.
- Subsidy for labor costs: It consists of a payment to the employer of an amount equivalent of 17% of the remunerations liable to social security and taxation, up to a certain amount (reference value of USD \$325 per month).
- Investment subsidy: Under Decree with Force of Law No. 15, a subsidy is available for productive investments by small and mid-sized companies whose annual sales do not exceed USD \$1.5 million. It is equivalent to 20% of the amount of the investment up to a maximum of approximately USD \$2 million.



Chile has a strong commitment to investment, international commerce, and the free movement of goods. In recent decades, Chile's trade policy has focused on creating favorable conditions for free trade as a means of improving the country's economic and social development.

Legal Framework

Chile's most important legislation as regards customs matters is:

- Decree with Force of Law 30/2004, updated in March 2017
- Organic Law of the National Customs Service
- Decree 514 issued by the Finance Ministry in 2016

The authority responsible for customs matters is the National Customs Service.

Imports

As a general rule, any goods can be imported into Chile except those specifically prohibited by law, such as second-hand vehicles and motorbikes, asbestos in any of its forms, and toxic industrial waste.

Due to their nature, some imports are subject to inspection, authorization, or control by government services. This is the case, for example, for the import of explosives, vegetable products, pharmaceuticals, and radiocommunications equipment.

Exports

In general, all goods can be exported from Chile. There are, however, some prohibitions (for example, the export of narcotics and explosives) or special rules such as the need to obtain prior approval.

Generally, goods exported from Chile are not liable to Chilean duties or value-added tax (VAT), except when expressly indicated by law.

The export of services or, in other words, to people not domiciled or resident in Chile entitles the exporter to a drawback on the VAT on the inputs used to produce the good or service. This authorization must be requested from the office of the National Tax Service (SII) corresponding to the taxpayer's domicile.

Agreements

As mentioned, Chile has established itself as a strong trading partner for many countries around the world. These are the agreements Chile has currently in force:

Agreement	Country	Signature	Validity
FTA Canada – Chile	Canada	December 5, 1996	July 5, 1997
FTA Chile – Mexico	Mexico	April 17, 1998	August 1, 1999
FTA Chile – Central America	Costa Rica El Salvador Honduras Guatemala Nicaragua	October 18, 1999 November 30, 2000 November 22, 2005 December 7, 2007 February 22, 2001	February 14, 2002 June 3, 2001 July 19, 2008 March 23, 2010 March 19, 2013
AAE Chile – European Union	European Union	November 8, 2002	February 1, 2003
FTA Chile – EE.UU.	United States	June 6, 2003	April 2, 2004
FTA Chile – South Korea	South Korea	February 15, 2003	April 2, 2004
FTA Chile - EFTA	Iceland Liechtenstein Norway Switzerland	June 26, 2003	December 1, 2004
FTA Chile – China	China	November 18, 2005	October 1, 2006
Pacific -4 (P-4)	Brunei New Zealand Singapore	July 18,t 2005	November 8, 2006
FTA Chile – Panama	Panama	June 27, 2006	March 7, 2008
FTA Chile – Colombia	Colombia	November 27, 2006	May 8, 2009
FTA Chile – Peru	Peru	August 22, 2006	January 1, 2009
AAE Chile – Japan	Japan	March 27, 2007	September 3, 2007
FTA Australia – Chile	Australia	June 30, 2008	March 6, 2009
FTA Chile – Turkey	Turkey	July 14, 2009	March 1, 2011
FTA Chile – Malaysia	Malaysia	November 13, 2010	April 1, 2012
FTA Chile – Vietnam	Vietnam	November 12, 2011	January 1, 2014

FTA Chile – Hong Kong	Hong Kong	September 7, 2012	December 1, 2014
FTA Chile – Thailand	Thailand	October 4, 2013	November 5, 2015
Mercosur (Southern Common Market)	Argentina Brazil Paraguay Uruguay	June 25, 1996	October 1, 1996
FTA Chile – Uruguay	Uruguay	October 4, 2016	December 13, 2018
FTA Chile – Argentina	Argentina	November 2, 2017	May 1, 2019
FTA Chile – Indonesia	Indonesia	December 14, 2017	August 10, 2019

Chile has also signed Economic Complementation Agreements with Venezuela (1993), Bolivia (1993) and Ecuador (1994), and a Partial Scope Agreement with India (2007) and Cuba (2008).

Currently, Chile is negotiating Free Trade Agreements (FTAs) with Brazil, China (investments), and the United Kingdom.

Chile has also signed, on February 4, 2016, the Transpacific Agreement of Economic Cooperation (TPP), which validity is pending.

Free Trade Zones

Chile has three free trade zones (or tax-free zones), located in Arica and Parinacota, Tarapacá, and Magallanes Regions. Here, goods can be traded free of import duties and taxes.

Its benefits are that imports do not pay the duty, sales to other tax-free zones and other countries are not liable to VAT, and income tax is not levied.



Establishing a Business

General Overview

Establishing your own company in Chile is relatively straightforward and low cost. A representative who is considered a permanent resident in Chile must be appointed.

To undertake commercial activities in Chile, Chilean law provides several ways to fund and organize a company according to its different needs. The most common business structure set up in Chile by a foreign investor is the limited liability stock company.

Below you will find the main business models used by foreign investors.

Branch Offices of a Foreign Corporation

This is a branch of a foreign parent company that is established in Chile. It is not a separate and autonomous entity.

Establishment

Certified documents related to the foreign company's constitution and bylaws must be fully legalized, translated, and registered with a Public Notary in Chile. Copies of the articles of incorporation and other documents in the language of execution must be certified. If the documents are not in Spanish, they will need to be translated by a certified translator or by the Ministry of Foreign Affairs in Chile. During this process, a local agent must be appointed. Thereafter, the agent must execute a public deed of incorporation for the company.

Liability

The foreign corporation is liable for all the activities and business carried out by its Chilean branch. Its liability is not limited to the assets located in Chile. In case of bankruptcy or insolvency, the Chilean creditors of the branch will have a preferential right over the branch assets located in Chile.

Management

The branch will be managed by an agent vested with broad powers to represent the foreign corporation in Chile.

Remittances of Profits

Once all applicable taxes are paid, and any foreign investment remittance terms are complied with, there should not be any limitations regarding the remittance of profits abroad from the local branch.

Corporations

In general terms, Chilean regulation on corporations does not differ much from those of other jurisdictions. Corporations may be either open public corporations or closed private corporations, depending on whether they are open to the stock market or not. Public corporations are subject to the control of the Financial Market Commission and must be listed on the Stock Exchange.

Establishment

Corporations, whether open or closed, are incorporated by the execution of a public deed signed by at least two founding

shareholders. A summary of the public deed must be published in the Official Gazette and registered with the Commerce Registry within 60 days of the date of its execution. The public deed will also contain the corporation's bylaws. In general terms, this process shall take approximately four to six weeks.

Shareholders Liability

Shareholders are liable for the amount they have agreed to pay for subscribed shares only.

Management

Management is vested in a board of directors appointed by the shareholders. The board needs to have at least three

members for private corporations and at least five members for public corporations. In certain circumstances, some open stock companies must have a board of at least seven directors. A director does not need to be a shareholder of the company.

The board of directors may be removed by shareholders through the meeting of the shareholders at any time. Also, the board of directors may delegate some of its powers to a general manager (or another manager as desired) who will be the legal representative of the company.

Capital

There is no minimum capital requirement to incorporate a corporation, unless it is going to operate in specially regulated markets such as banking, insurance, casinos, etc.

Distribution of Profits

A public corporation is required by law to distribute at least 30% of its net profits among its shareholders annually unless the meeting of the shareholders unanimously decides to waive this requirement. In private corporations, shareholders may agree in the bylaws to any policy of distribution of profits they may wish.

Limited Liability Companies

This is one of the most used business structures in Chile. Limited liability companies (LLCs) are not subject to the control of a regulatory authority, such as the Financial Market Commission (CMF), and have no obligation to publish their financial statements.



Incorporation

LLCs are incorporated through a public deed signed by at least two and a maximum of 50 quota holders (they can be individuals and/or companies). A summary of this deed must be published in the Official Gazette and registered with the Registry of Commerce within 60 days of the date of its execution. The process takes approximately four to six weeks after signing.

Liability

A partner's liability is limited to the amount they have agreed to contribute unless otherwise agreed and specified in the bylaws.

Capital

There are no minimum capital requirements to incorporate an LLC.

Management

Management is vested in one or more partners, on a third party, or on a board of directors specifically appointed for that purpose.

Distribution of Profits

The terms and conditions for profit distribution may be freely set out in the bylaws by the partners. Loans to members are treated as a distribution of profits.

Joint Stock Companies

This is the most used business structure in Chile. A joint stock company (SpA) is a mix between a corporation and a limited liability company (LLC) and is the newest legal organization for establishing a company



in Chile. It has characteristics from both corporations and LLCs. It also has unique characteristics that are not found in any other type of organization. For instance, it is possible to create a SpA with just one partner - a function that is not available in most other business structures. Further, the shareholders are free to regulate the administration structure of the SpA.

Incorporation

SpAs must be incorporated through a public deed signed by one or more members, either individuals and/or companies. A summary of the deed must be published in the Official Gazette and registered with the Registry of Commerce within 30 days of the date of execution.

Liability

Shareholder liability is limited to the amounts they have agreed to contribute unless otherwise agreed and specified in the bylaws. It is also important to note that LLCs are not subject to any control of a

regulatory authority and do not have any obligation to publish their accounts.

Capital

There are no minimum capital requirements to incorporate a SpA.

Management

Management is vested in one or more shareholders, on a third party, or on a board of directors specifically appointed for that purpose.

Distribution of Profits

The terms and conditions of profit distribution may be freely set out in the bylaws by the partners.

General and Silent Partnerships

General partnerships are like limited liability Companies, with the exception that the liability of quota holders is unlimited.

Silent partnerships consist of administration partners whose liability is unlimited and silent partners whose liability is limited to their capital contributions to the partnership. The identity of a silent partner needs only to be revealed to the tax authorities.

Joint Venture

This model is a business organization in which two or more members join to realize a venture in name and under the responsibility of only one of them. This party, known as the administrator/manager, must account for the other members and distribute the

profits and losses among them on a pro-rata basis.

Next Steps

A company must complete its legal registration process and appoint a legal representative with sufficient powers to act before the tax administration (this person and these powers should be included in the public deed by which the company is founded). This representative must have permanent residency in Chile and should be empowered to legalize complete documents and sign, receive legal notices, and be summoned to meetings by the tax administration system.

This registration must be done within the first two months of commencing business activities. The whole process, if all documents are completed correctly, should not take longer than two business days.

To be able to complete this process, the applicant must be a resident of Chile, have copies of their Chilean ID Card, copies of the company bylaws, and copies of their powers of attorney. All documents must be copies certified by a notary public.

After this process is done, the applicant will be able to obtain the *RUT Number* (Company's Chilean ID).

Labor law in Chile is governed by the Labor Code and supplemented by the applicable legislation, resolutions of the Labor Directorate, judicial judgments, and the internal regulations of each company, among other legal bodies.

The *Employment Agreement* is the standard contract in which the labor relationship between an employee and employer is established. This type of contract must comply with every requirement the Labor Code indicates.

Employment Agreement

An Employment Agreement must be put in writing within 15 days of the hiring date. If this is not done, the following may occur:

- Administrative fine
- The terms and conditions thereof shall be those indicated by the employee, and the employer shall bear the burden of proof of the real conditions and terms agreed on

The Employment Agreement must contain all the required elements established by law, and it must be kept up to date.

Chilean Labor Law does not recognize probationary periods.

Fixed-term contracts are allowed, but the employer must be aware that the legislator prefers indefinite term contracts; therefore, for fixed-term contracts, there is a maximum

contract length of one year (or two years for managers and professional personnel).

Transformation of the Agreement into an Indefinite Term

A fixed-term contract will become an indefinite term contract for any worker who:

- Has provided services (continuous or discontinuous) under two or more fixed-term contracts for 12 months or more, within 15 months
- Has continued providing services, with the employer's knowledge, following the lapse of the contract

Working Week

The standard workweek is limited to a maximum of 45 hours. These hours must be worked in no less than five and no more than six consecutive days, with the regular workday not exceeding 10 hours. However, certain types of employees such as hotel, theatre, club, and restaurant workers are subject to different rules.

Working hours are normally from 9 AM to 6 PM, with a one-hour break included.

In the case of part-time employment, an employee who is under this category cannot work for more than two-thirds of the maximum hours each week. That is, they can only work up to 30 hours per week.



Overtime

All employees that are subject to a working hour limit are eligible for overtime payment, at a rate of 50% above the agreed hourly

rate, with a limit of two hours per day (if the excess will not harm the health of the worker). Working hour limits do not apply to employees that work for more than one employer, manager, or administrator, or to employees who work without immediate senior supervision or outside of the working premises, factory, etc.

Gross and Net Payments

When negotiating with a potential employee about their salary, it is important to state whether the amount you are offering is net payment (the amount they will receive after taxes and social security contributions have come out), or gross payment (before tax and contributions). In Chile, as of May 2021, the current minimum monthly gross salary is CLP 337,000.

Social Security

Several compulsory contributions are paid by the employer. These are the following:

Discount	Percentage
Pension Funds (AFP)	It is approximately 12.3% of the employee's gross wage. 10% is paid into the employee's individual savings account, and about 2.3% is for disability insurance and the AFP's commission fee.
Health Insurance	It is 7% of the gross wage. This amount must be paid to either the state National Health Fund (FONASA) or the Health Insurance Private Institution (ISAPRE).
Unemployment Insurance	This is applicable for employees with an indefinite contract, with a rate around 0.6%.



Profit-Sharing

Profit-sharing under the provisions of the Chilean Labor Code is to share at least 30% of the company's profits with its employees. The amount to be distributed is either divided amongst the workers in proportion to each worker's salary or paid as a sum equivalent to 25% of a worker's compensation, with an annual cap of 4.75 minimum monthly wages.

Employment of Foreigners

Under the Chilean Labor Code (Articles 19 and 20), at least 85% of employees must be Chilean. However, employers with 25 or fewer workers are exempt from this requirement.

Foreign nationals with Chilean spouses or with Chilean descendants and foreign nationals who have lived in Chile for more than five years are treated as Chileans.

Every foreigner who wants to work in Chile must obtain a proper working visa. Tourists are not allowed to work unless they get authorization from the Immigration Department.

Local Employees

Remunerations of employees are subject to a monthly Second Category Income Tax. This tax is payable by the company to the Treasury within the first 12 days of each month. If the employee's total income is solely earned through his employment contract, this tax is deducted by the employer, as discussed above, and the employee is not required to file monthly or yearly tax returns.

Vacations

All employees who have worked for more than one year are entitled to 15 annual vacation days. Saturdays, Sundays, and public holidays are not included in the calculation of this period. Employees who have worked for 10 years or more, for one or several employers, are entitled to an extra day every three years thereafter.

The parties may agree to accumulate the holiday leave (but only up to two consecutive periods) or to split it up (but at least 10 consecutive business days must be granted). The remaining time can be divided according to what the parties agree. If an employee takes a leave of absence or sick leave, these are not considered to be and cannot be counted as vacation days.

All employees who have worked for more than one year are entitled to 15 annual vacation days.

Sick Leave

Chile provides a public and private medical system for employees. When employees are suffering from an illness, they are granted sick leave. During periods of sick leave, the employer cannot terminate the labor contract without cause, and the healthcare provider pays the salary either from the fourth day of illness (or from the first day in cases where the leave has exceeded 10 days). These payments are funded through employee contributions.

Labor Accident and Occupational Disease Insurance provide medical and dental attention, hospitalization, medicine, as well as indemnities (depending on the type of disabilities suffered) and related expenses. Indemnities are granted in the form of a pension to the injured employee (or to their spouse and dependent children in the case of death).

Sick leave is granted when the worker provides a medical certificate from a doctor. However, it is important to note that an employee is only entitled to sick pay after at least six months of being a member of their health coverage provider (ISAPRE), provided that he or she is also enrolled with an AFP (local pension fund administrator).

There is no annual limit to sick leave or sick pay, and the corresponding ISAPRE or COMPIN (for those affiliated with FONASA) is responsible for the payment.

Maternity Leave

Female employees are entitled to six weeks' leave before (prenatal) and 12 weeks' leave

after (postnatal) the birth of their child, with full pay. This payment comes from the Social Security system, not the employer. Additionally, women cannot be dismissed for a period of one year from the birth of the child, without consent from the labor courts.

Female workers will also be entitled to a further 12 weeks of leave at full pay, following the first 12-week period. The woman may choose to return to her job on a part-time basis, in which case the postnatal leave of absence will be for 18 weeks and at a rate of at least 50% of her normal salary, depending on the number of hours worked.

The father is entitled to a five-day paid leave (excluding weekends) during the first month of the birth of his child. This leave may be used consecutively or can be taken separately over the month.

Termination of Labor Contracts

An employment contract may be terminated for several reasons, including:

- Mutual agreement
- Worker's resignation
- Worker's death
- Expiration of the term agreed in the contract
- Completion of the contracted work or service
- Force majeure (unforeseeable circumstances)

A labor contract may also be terminated if the employee fails to comply with the terms and conditions of the contract. In this instance, the worker will not be entitled to any compensation.

If the reason for dismissal is that the employee's work or services no longer meets the needs of the business (business needs), by law, the worker has the right to fair compensation, depending on their existing salary or wages and years of service.

Employees have strong rights when it comes to the termination of the contract, and they will often take their case to the Labor Court if they are not satisfied with the outcome.

It is advisable to have a lawyer help you when you are considering terminating a contract, as there is a very specific format in which the termination must be conducted. Both parties are required to sign a termination agreement.



7. Tax Legislation

The Chilean tax system has a very broad concept of taxable income and includes all types of earnings and profits. In general, individuals or entities that are residents or domiciled in Chile are subject to taxation on any source of income, whether it was derived locally or overseas. Non-resident and non-domiciled taxpayers are taxed only on their Chilean sourced income. Foreigners that establish their domicile or residence in Chile will only be subject to taxation on Chilean sourced income for the first three years and then will need to pay taxes on their worldwide income thereafter.

In tax matters, government action is carried out by three different public agencies:

- The Internal Revenue Service (SII) oversees the administration of tax laws and has the power to issue regulations and conduct tax audits.
- The Treasury oversees tax collection.
- The Customs Agency deals with all matters related to imports and exports.

Below you will find the most recent rates (at the time of print) for the most common taxes in Chile.

First Category Tax

The first category tax is a basic tax on income for all legal entities or businesses that are domiciled in Chile and engaged in commerce, mining, fishing or industrial activities.



It corresponds to a rate of 25% for *Pymes*, which are companies that once they initiate their activities, they do not have more than UF 85,000 (approximately CLP 2.53 billion), and they do not have an annual revenue larger than UF 75,000 (approximately CLP 2.231 billion).

Law No. 21.256 of September 2, 2020 established new tax measures concerning the economic reactivation emergency plan due to the COVID-19 pandemic. Within these measures, the first category tax for *Pymes* was downgraded to 10% for the commercial years 2020, 2021 and 2022.

A rate of 27% applies to companies that must declare the payment of their first category tax according to effective income determined with full accounting.

Second Category Tax

The second category tax is a progressive tax applied monthly to all income generated by workers for dependent or independent

labor activities based on their salary, wages, and pensions. It has a progressive scale with a maximum cap of 40% for the highest income tier.

Global Complementary Tax or Surtax

This is an annual personal progressive tax for Chilean residents and domiciled individuals on all their worldwide income (dividends or withdrawals of profits, interest, and capital gains, as well as salaries and fees). It starts at zero percent and has a maximum cap of 40% for the highest income tier.

Additional Tax

This tax applies when a non-resident or non-domiciled person receives Chilean sourced dividends or income. It usually works as a withholding tax at a general rate of 35% but may vary depending on the nature of the payments or the activity that the dividend comes from.

Valued-Added Tax (VAT)

This tax is a consumption tax that is levied on products at every point of sale where value has been added, beginning with raw materials, and going all the way to the final product or service. Ultimately, the consumer pays the VAT, and buyers earlier in the chain of production receive reimbursements for previous VATs paid. For example, when a company acquires goods or services, the VAT credit is applied. On the other hand, when a company sells a product or delivers a service to the customer, the VAT debt is applied. The applicable rate is 19%.

Stamp Duty Tax

This tax is the tax placed on legal documents usually in the transfer of assets or property, such as promissory notes, letters of credit, and any type of documentation that includes a loan or credit transaction. The rate ranges from 0.066% for each month (or fraction of month) between disbursement (receiving the money) and maturity (making the final repayment) and it is capped at 0.8%.

Special Taxes

Along with the VAT, there are some luxury products, such as gold, silver, and marble transactions, and other special goods (including alcoholic drinks, fuel and tobacco) that are subject to an additional sales tax that ranges from 13% to 50%, depending on the product.

Double Taxation Treaties

According to information provided by the tax administration, Chile has 33 double taxation agreements, with the following countries: Argentina, Australia, Austria, Belgium, Brazil, Canada, Czech Republic, Colombia, China, Croatia, Denmark, Ecuador, Korea, Spain, France, Ireland, Italy, Japan, Malaysia, Mexico, Norway, New Zealand, Paraguay, Peru, Poland, Portugal, United Kingdom, Russia, South Africa, Sweden, Switzerland, Thailand and Uruguay.



Chirgwin, Chile

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