

Chilean News on International Tax Law

CHILE

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ABOGADOS



• CHILE AT GLANCE



- The most stable economy in the entire Latin American Market
- OECD member since 2010, OECD Commentaries and Guidelines apply
- More than thirty Free Trade Agreements with the greatest markets in the world
- 32 Double Tax Treaties with the largest economies in the world
- BEPS / FATCA member / Interchange of Information Multilateral Convention
- Transfer Pricing / CFC Regime / Thin Caps Rules /

CHILEAN HOT TAX TOPICS

- 1.--Last Tax Reform:
 - Two alternative income tax regimes
 - General Antiavoidance rule incorporated
 - New IRS attributions

- 2.- New Presidential Election
 - Expecting new tax reform
 - Income Tax simplification
 - Income tax rate decrease?

• INCOME TAX RATES

- **Corporate Income Tax:** 25% or 27%
- Capital Gains Tax 35%
- Branch Profit Tax 35% or 44,45% (less Corporate Tax)
- Dividend Tax 35% or 44,45% (les Corporate Tax)

- **Withholding Foreign Residents on:**
- Interests 5% or 35%
- Royalties 0%, 15% or 30%
- International Leasing 1,75%
- Services 0%, 15% or 35%

- OTHER RELEVANT TAX ISSUES

- Tax Carry Forward indefinitely
- Tax Free Reorganizations Mergers, spin- offs, asset contributions provided certain requirements are met
- VAT Rate 19%
- Vat on Exports 0%