



Insights: Tax & Legal Highlights

Our monthly selection of tax updates
of interest.

English edition

KPMG Chile

March 2026



En esta edición destacamos:

1. International reorganization and indirect sales
2. Distribution of dividends paid in kind
3. ETF (Exchange Traded Fund) taxation
4. Liability of a digital intermediation platform in VAT payment
5. Use of tax credit for goods acquired on a digital intermediation platform
6. Inclusion of fines in billing
7. IPE credit in case of negative foreign-source income
8. VAT on the sale of goods outside Chilean airspace
9. Transformation of a SpA into an LLC

1. International reorganization and indirect sales

The IRS is consulted on the tax treatment of a reorganization of an international economic group with presence in Chile.

The group has two global parent companies: A (United Kingdom), which indirectly owns a stake in a Chilean company, and B (Australia). Both jointly control the group through a "joint agreement", but their shares are widely atomized.

To simplify the corporate structure, two alternatives are being evaluated: (i) transfer 100% of the shares of Company A to Company B, with the latter remaining as the sole parent company; or (ii)

transfer the shares of both companies to a NewCo, which would become the new sole parent company of the group.

The IRS concludes that a business group is not configured in the terms required by the LIR to access the exemption from capital gains tax in cases of indirect sale. This is because neither the alienators nor the purchaser of the alternatives evaluated are under a common control. In other

words, Company A and Company B do not have the same direct or indirect owner, so the legal requirements to consider that they belong to the same business group are not met.

Read online:
Ruling N°356 / 2026



2. Distribution of dividends paid in kind

It is asked whether the distribution of dividends from a holding company to its shareholders, payable through the distribution of shares of other companies at their tax cost value, can be assessed by the IRS.

The Tax Code establishes a rule of inhibition to the IRS's power of appraisal with respect to any type of business reorganization, to the extent that they obey a legitimate business reason and provided that the tax cost of the assets in the company that receives the contribution is maintained and no effective flows of money are generated for the contributor.

However, a distribution of dividends in kind, by itself, does not qualify as a business reorganization, as it is only a simple allocation of assets.

Therefore, the distribution of dividends paid in kind may be assessed by the IRS if the price or value of the transaction differs significantly from normal market values in comparable transactions and circumstances.

Read online:
Ruling N°359 / 2026



3. ETF (Exchange Traded Fund) taxation

The IRS analyzes the tax treatment of ETFs according to the text of Article 107 of the LIR.

ETFs, which constitute a type of fund that is listed on the stock exchange and that seek to replicate a stock index or a basket of securities, can benefit from the tax treatment provided for in Article 107 of the LIR to the extent that they qualify as an investment fund or mutual fund under the terms of the LUF, a situation that will be reviewed on a case-by-case basis by the IRS.

The aforementioned Article 107 of the LIR establishes a single tax of 10% on the capital gain obtained in the sale or redemption of shares of

open S.A. incorporated in Chile with a stock market presence, of investment fund quotas and mutual fund quotas.

However, certain ETF transactions must be reported to the IRS through the following DJs:

- The purchase and sale operations carried out of ETF securities must be reported in Affidavit No. 1891.
- Affidavit 1922 must be filed for the redemption or disposal of shares of an ETF, whether it is a

mutual fund to the extent that article 107 of the LIR applies, or an investment fund (it always applies). If the ETF is a mutual fund without taking advantage of article 107 LIR, DJ 1894 corresponds instead.

- Affidavit 1962 must be filed, informing the background of the ETF and the value and number of shares held at the end of the year.

Read online:
Ruling N°278 / 2026



4. Liability of a digital intermediation platform in VAT payment

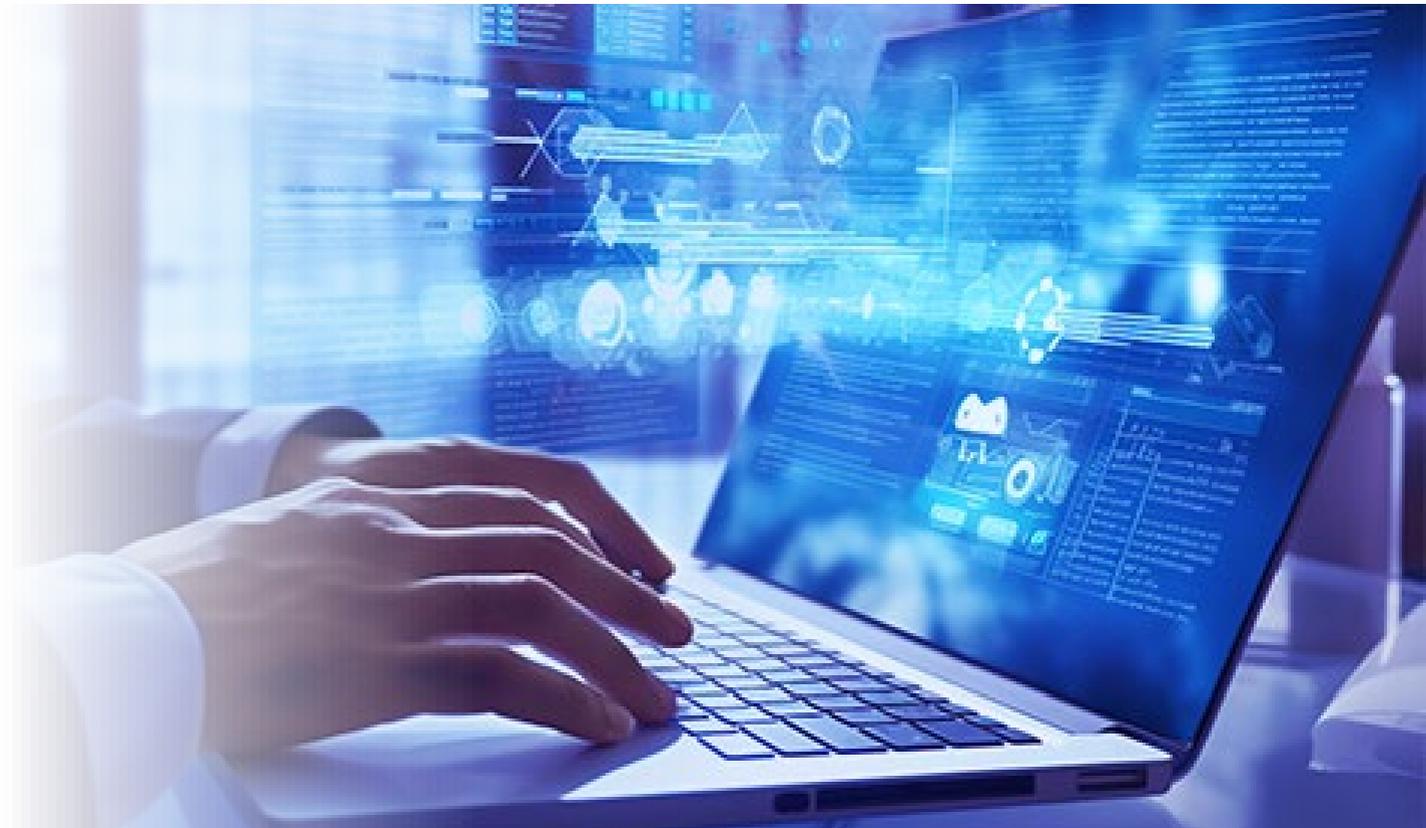
The IRS is asked if a digital intermediation platform is responsible for the payment of VAT on sales of goods located in Chile made by sellers resident in the country.

A digital intermediation platform is considered a VAT taxpayer as the habitual seller of the good traded through it, provided that the sale is subject to VAT and to the extent that none of the parties involved in the underlying sale has the status of VAT taxpayer.

Therefore, the platform operator will not be liable for VAT on sales made by a seller resident in Chile, as he or she is a VAT taxpayer.

Additionally, in these cases of sales of goods located in national territory made by sellers resident in Chile, it is not necessary to have information on the seller's status as a taxpayer, so the platform operator is released from the VAT obligations associated with these operations even if the seller has not informed them of their status as a VAT taxpayer.

Read online:
Ruling N°429 / 2026



5. Use of tax credit for goods acquired on a digital intermediation platform

A company that acquires low-value merchandise from abroad through a digital intermediation platform consults about the procedure to use the VAT paid by the operation as a tax credit.

According to the VATL, the buyer with residence in Chile who acquires low-value goods through a digital intermediation platform is responsible for the payment of VAT, due to his status as a taxpayer of said tax in the country, having the obligation to inform the operator of the platform of his quality as such.

If the buyer does not inform the platform operator of their status as a taxpayer, the latter will be responsible for paying VAT on the underlying transaction. Consequently, VAT will not be applied on imports and will not entitle you to a tax credit.

In this way, in cases where it cannot be proven that the tax has been charged or paid, the buyer will not be able to use it as a tax credit.

Notwithstanding the foregoing, the taxpayer who is not entitled to a tax credit may deduct from his taxable net income the input VAT, either as an expense or cost, provided that said tax is directly related to the company's line of business, is duly accredited and complies with the other general requirements of the LIR.



6. Inclusion of fines in billing

Consultation is held on the treatment of contractual fines in the issuance of tax documents.

The IRS points out that the fines imposed for non-compliance with certain contractual requirements of transactions taxed with VAT do not constitute a new sale or service affected by tax, so they will not be taxed with VAT.

Therefore, there is no obligation to issue a tax document for the collection of fines, which may be supported by any internal document deemed appropriate.

However, if the company's invoicing system allows it, the fines can be incorporated into the same invoice of the taxed transaction as a separate item, without altering its nature as a non-VAT tax.

Read online:
Ruling N°283 / 2026

7. IPE credit in case of negative foreign-source income

The IRS is asked about the appropriateness of the IPE credit in the event that the net income from foreign sources is equal to or less than zero.

The purpose of the IPE credit mechanism is to avoid international double taxation, so it only applies when there is effectively a positive result abroad that is also taxed with income tax in Chile.

Therefore, it is not appropriate to impute any IPE credit or request the refund of alleged taxes paid in excess for not having used it when the net income results in zero or constitutes a tax loss for operations abroad.

Read online:
Ruling N°286 / 2026



8. VAT on the sale of goods outside Chilean airspace

On international flights and outside Chilean airspace, a company provides comprehensive marketing, logistics and product management services on board aircraft. It is asked whether the sales made can be considered non-affected or exempt from VAT and whether the services provided to the airline qualify as export services.

The sale of movable tangible property is affected by VAT to the extent that it must be in the national territory at the time the contract is signed. Therefore, sales made by airlines outside Chilean airspace, on board aircraft, are not taxed with VAT.

On the other hand, the income from services provided by the company to the airline may qualify as export services and be exempt from VAT to the extent that the airlines do not have residence in Chile and provided that the National Customs Service qualifies such services as export.



9. Transformation of a SpA into an LLC

Two shareholders of a SpA seek to transform the company into an LLC, agreeing that the exchange ratio of the shares will be determined according to the capital contributions of each shareholder, but maintaining the distribution of profits in equal parts according to their previous economic agreements.

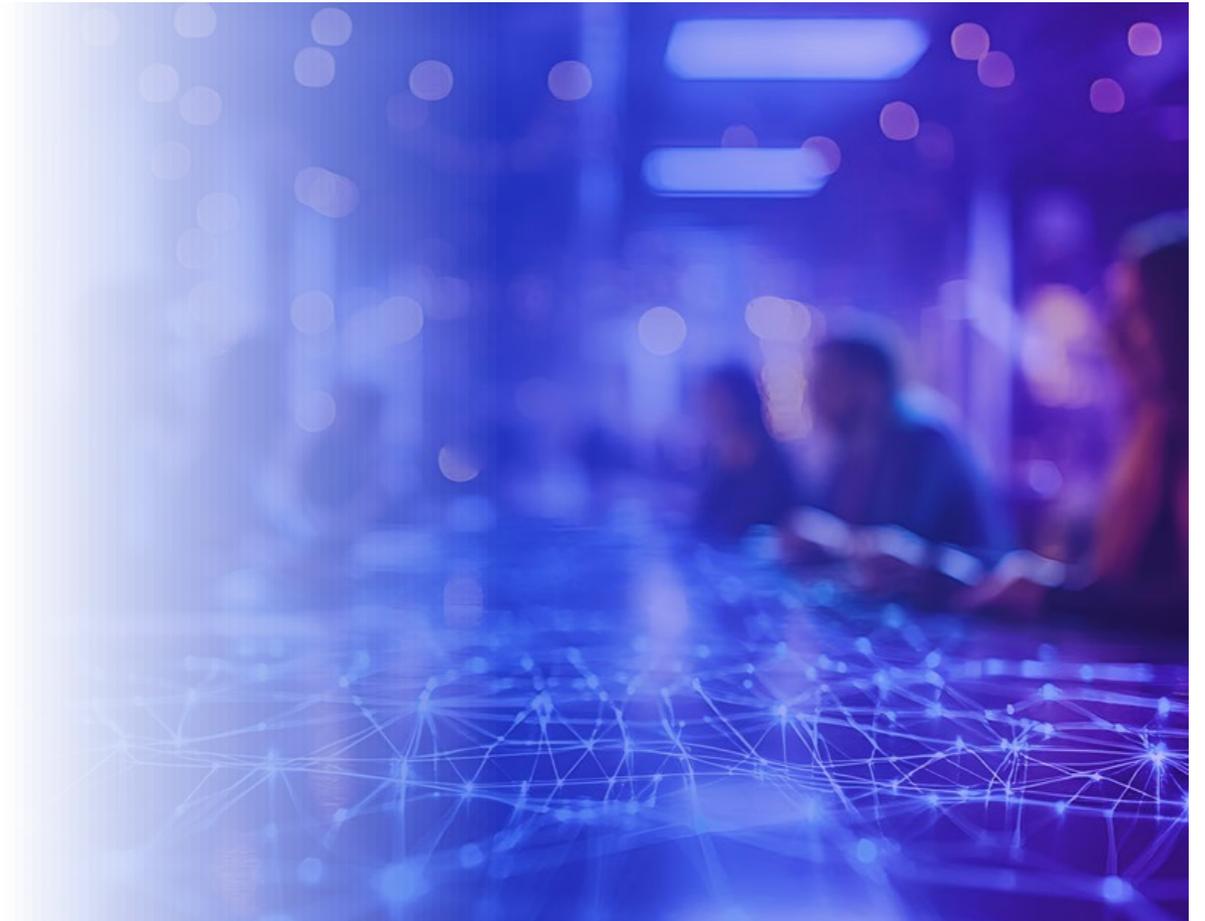
In the light of the GAAR, the mere transformation of a SpA into an LLC could be framed in the reasonable option of conduct of taxpayers without elusive effects, since it only implies a change of type or corporate species, with the legal personality of the taxpayer subsisting, as well as the ownership of its assets, liabilities and equity.

However, given that the operation involves modifying the owners' share of the company's profits and could generate a transfer of assets between them, the transformation must be based on relevant economic or legal reasons, other than the mere tax effect. Otherwise, a risk of avoidance could be configured.

In this line, the IRS specifies that a corporate transformation with the

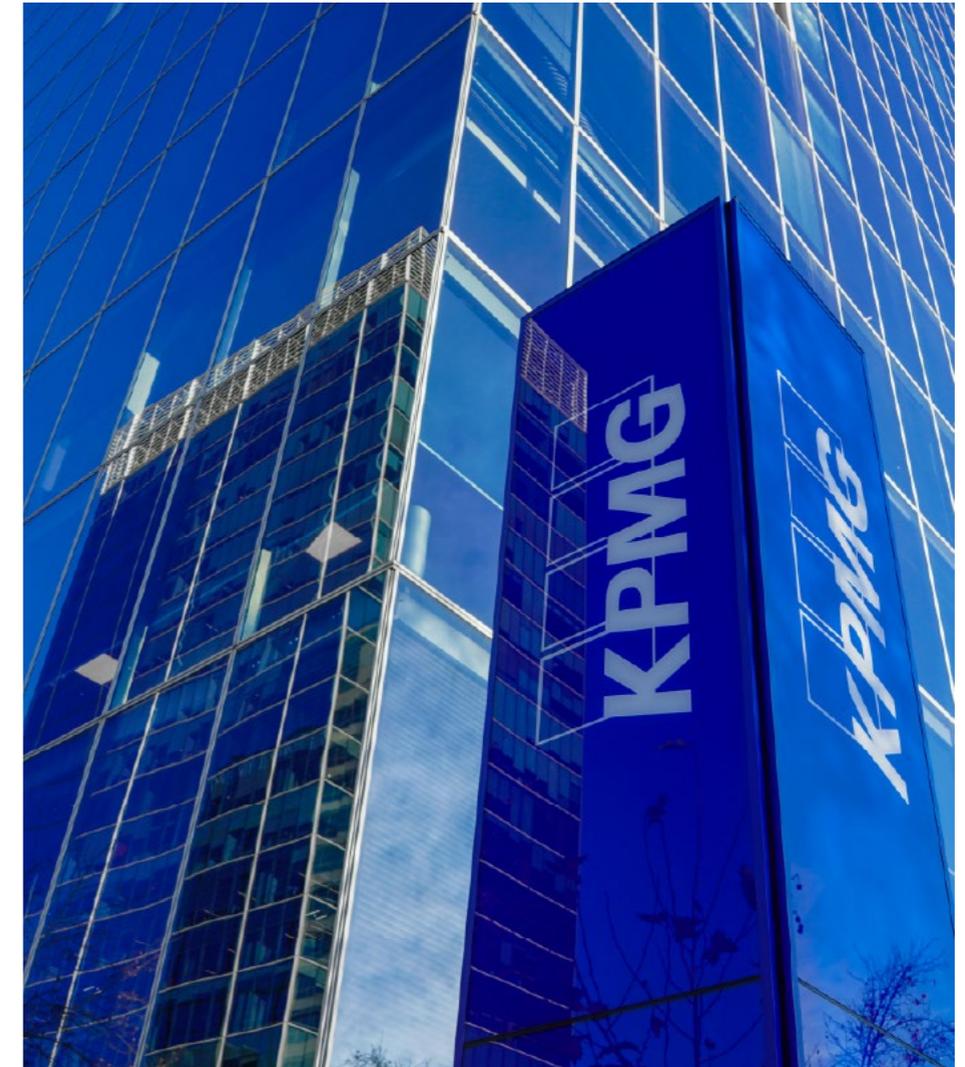
sole purpose of privileging the *intuitu personae* character of the LLC does not constitute in itself a precedent that is relevant to evaluate the economic or legal effects of the structure analyzed, so the effective existence of prior economic agreements of the partners will be especially audited. the profit-sharing policy, the form and value of capital contributions, the assets and liabilities that make up the company's equity, etc.

Read online:
Ruling N°288 / 2026



Glossary

CMF	Financial Market Commission
CLP	Chilean Peso
DJ	Affidavits
ETF	Exchange Traded Fund
CIT	First Category Tax – Corporate Tax
IPE	Taxes paid abroad
VAT	Value Added Tax
CITL	Income Tax Law
VATL	VAT Law
GAAR	General Anti-Avoidance Rule
IRS	Internal Revenue Service
SPA	Joint Stock Company
LLC	Limited Liability Company
USD	United States Dollar





Learn about KPMG Tax Technology Solution[®]

KPMG Chile's exclusive tool that offers a comprehensive tax compliance ecosystem.

[Read more](#)





Contacts



Juan Pablo Guerrero

Lead, Partner, Tax & Legal
iquerrero1@kpmg.com



Andrés Martínez

Tax Consulting Partner
avmartinez@kpmg.com



Javiera Suazo

Tax Consulting Partner
javierasuazo@kpmg.com



Alberto Cuevas

Tax Consulting Partner
albertocuevas@kpmg.com



Pedro Castro

Tax Consulting Partner
pedrocastror@kpmg.com



Juan Infante

Tax Consulting Partner
juaninfante@kpmg.com



Antonio Guzmán

Tax Consulting Partner
antonioгуzman@kpmg.com



Hernán Gutiérrez

Tax Compliance Partner
hernangutierrez@kpmg.com



Gloria Mardones

Tax Compliance Partner
gmardones@kpmg.com



Rodrigo Ávalos

Tax Compliance Partner
rodrigoavalos@kpmg.com



José Gálvez

Tax Compliance Partner
josegalvez@kpmg.com



Marco Macías

Transfer Pricing Partner
marcomacias@kpmg.com



Luis Seguel

Tax Controversies Partner
lseguel@kpmg.com



Ángelo Adasme

Global Mobility Services Partner
aadasme1@kpmg.com



Francisco Ramírez

M&A Partner
framirez@kpmg.com

KPMG