



Chile

General	Types of indirect taxes (VAT/GST and other indirect taxes).	<ul style="list-style-type: none"> — VAT. — Stamp tax.
	Are there other indirect taxes?	<ul style="list-style-type: none"> — Additional tax on luxury goods. — Additional tax on alcoholic beverages. — Additional tax on non-alcoholic beverages with and without high sugar levels. — Specific tax on gas and diesel supplies. — Tobacco tax. — Additional tax on emissions.
	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	<ul style="list-style-type: none"> — VAT: single rate of 19%. — Stamp tax: money credit operations: 0.066% per month, with a 0.8% maximum; money credit operation without a termination date or payable at sight: 0.332%. — Additional tax on luxury products: VAT plus 15% (in some cases 50%). — Additional tax on non-alcoholic beverages: VAT plus 10% or 18% (for beverages with high sugar levels). — Additional tax on alcoholic beverages: VAT plus a tax rate of 20.5% and in some cases, 31.5%. — Specific tax on gas and diesel supplies: gas 6 UTM/m³ (approximately USD420); diesel 1.5 UTM/m³ (approximately USD70) plus VAT. — Tobacco tax: VAT plus tax rate ranging between 52.6%–59.7% and a fixed amount of USD0.072 plus 30% of the value per cigarette. — Additional tax on emissions: new, lightweight and medium motorized vehicles pay a specific onetime tax under a fixed formula. <p>There are no reduced rates. It is possible to distinguish four types of operations: out of scope, exempt without right to recover input VAT, exempt with the right to recover input VAT and exempt operations where VAT recovery is not relevant.</p> <p>Operations out of scope:</p> <p>These operations are not subject to VAT and taxpayers performing them cannot deduct input VAT (e.g. sale of some immovable properties, but only until 1 January 2016; services rendered and used abroad).</p> <p>Exempt operations where VAT recovery is not relevant:</p> <p>These operations are VAT exempt, however since they are performed by non-residents or there is no input VAT involved, the recovery of VAT is not an issue.</p>

General (continued)	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes? (continued)	<p>Any person or entity who sells, on a regular basis, tangible movable goods, and immovable property from 1 January 2016 onward, and:</p> <ul style="list-style-type: none"> — construction companies that sell tangible immovable goods that were completely or partially built by themselves (until 1 January 2016) — any person or entity who provides services levied with VAT. <p>Stamp tax is applied on acts or documents involving a money credit operation.</p>
	Who is required to register for VAT/GST and other indirect taxes?	<p>There is no special registration for VAT/ stamp tax purposes. Nevertheless, there is an obligation for all taxpayers to obtain a taxpayer identification number (RUT), register with the Chilean Tax Administration (SII) and file a notice of commencement of activities with the SII.</p> <p>Such registration not only includes VAT taxable persons, but all other types of taxpayers and/or taxable persons that may be subject to Chilean tax laws as well (including income tax, VAT and others). These obligations also apply to a Chilean branch or permanent establishment in Chile of a non-resident taxpayer.</p>
VAT/GST registration	Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?	No, overseas companies cannot register voluntarily for the sole purpose of recovering VAT/GST. In order to obtain a tax registration the relevant overseas companies should set up a PE or incorporate a branch or affiliate in Chile. The PE or the entity incorporated will become a Chilean taxpayer for all Chilean taxes.
	Does an overseas company need to appoint a fiscal representative?	Yes, overseas companies obtaining a tax registration (as described above) should appoint a fiscal representative. This person should have a domicile or residence in Chile.
	Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect tax registration?	<p>Applications for registration of a PE or local entity should be submitted by filing forms 4415.1 and 4418. In addition to the forms, the following documentation must be provided:</p> <ul style="list-style-type: none"> — incorporation documents of the legal entity translated if not in Spanish and duly legalized — certificate of good standing of the legal entity translated if not in Spanish and duly legalized — identification of the company's representative in Chile and documents evidencing the powers of attorney granted to the representative (translated and legalized) — ownership title, lease agreement or other title related to the address used by the company in Chile.
	Is grouping* for VAT/GST and other indirect tax possible?	No.

* By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fi unity for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

VAT/GST compliance	How frequently are VAT/GST and other indirect tax returns submitted?	Monthly (in some special cases bimonthly). In the case of stamp tax, it will depend on the payor or the nature of the document.
	What are the exchange rate rules in your country?	<p>The tax authority can authorize certain companies to carry out accounting in a foreign currency. Those authorized companies may apply for an authorization to file some or all of their taxes, make payments or request a refund (in the event of a credit balance of the applicable taxes) in the foreign currency.</p> <p>Invoices issued by Chilean taxpayers should always be issued in Chilean currency (pesos), notwithstanding the possibility to express the foreign currency values, indicating the exchange rate used to convert into Chilean pesos, which corresponds to the effective rate for the day of issuance of the respective invoice.</p>
VAT/GST recovery	Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally?	No.
	Are there any exemptions with the right to recover or deduct input VAT?	<p>Yes, special provisions contained in the VAT legislation allow VAT recovery regarding certain exempt operations, such as:</p> <ul style="list-style-type: none"> — exportation of goods — services provided to non-residents accepted as an exportation by the customs authority — sale of goods to foreign airplanes and ships making international transportation — international transportation services. <p>In these cases, the law also provides the possibility of a refund of the input VAT paid. This refund could be requested on a monthly basis for the VAT paid in the previous month.</p>
	Are there any restrictions to the deduction of input VAT?	<p>Yes, the general rule is that taxpayers carrying out exempt operations cannot recover input VAT, such as:</p> <ul style="list-style-type: none"> — some insurance transactions — financing operations not related to the sale of goods or services — educational services — some health services — transportation of persons.
Invoices	Is a business required to issue tax invoices?	Yes, in most cases.
	Is it possible/mandatory to issue invoices electronically?	Yes, it is possible and mandatory for some taxpayers.
	Is it possible for the vendor to issue an invoice, i.e. is self-billing possible?	As a general rule, self-invoicing is not allowed. However, in some very specific and particular cases, the VAT law and the Chilean tax authorities have allowed issue purchase invoices, thus, allowing self-invoicing only for such cases.

Audits	Do tax audits take place on a regular basis?	There is no regular basis schedule for tax audits. They depend on the audit planning, which is established by the tax authorities and based on taxpayers' behavior. Taxpayers deemed 'large business taxpayers' are audited more frequently (at least once per year).
	Are audits done electronically in your country (e-audit)? If so, what system is in use?	The authorities may request data in an electronic format during an audit.
	What penalties can arise from non-compliance?	The penalty varies depending on the non-compliance or the breach of the tax legislation. Penalties may be established as a fine on a fixed amount or determined on a percentage of the corresponding tax due (e.g. a rate ranging between 5% to 300% of the tax due); the temporary closing of the business; or imprisonment.
Special indirect tax rules	Are there any special rules for the sale of a company by one taxpayer to another where VAT is not due on the sale?	<p>The transfers resulting from business reorganizations (mergers or spinoffs) and the transfer of a business structured as a share transfer deal are not subject to VAT.</p> <p>The sale of a going concern is subject to VAT when it includes the transfer of movable personal property and/or real estate constructed by a construction company, but only on the value of such goods.</p>
	Are there unique specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions?	No, but Chilean VAT is characterized by a flat tax rate, few VAT exemptions and low chances for the foreign taxpayer to recover VAT. VAT compliance is based on an input VAT/output VAT offset mechanism with carry-forward of excess input VAT. With few exceptions there is no cash refund of excess input VAT credit (principal exceptions available for exporters and VAT incurred on the acquisition of fixed assets). As a general rule, excess input cannot be offset with other taxes, except if the taxpayer closes his business and gives notice of end of activities to the tax authority. In that case, the input credit balance may be offset against the corporate income tax (first category tax) payable for the same year.
	Does a reverse charge mechanism apply for goods or services?	Yes, only in certain cases provided by law, or ruled by the tax authorities (e.g. the buyer should withhold the VAT regarding the sale of some agricultural products and where the seller or service provider is not a Chilean resident).
	Are there indirect tax incentives available (e.g. reduced rates, tax holidays)?	Yes, there is the possibility to request a refund of the VAT credit generated on the purchase of goods that form part of the taxpayer fixed assets, provided the VAT credit was accumulated in a period of 6 or more months.
Rulings	Are rulings and decisions issued by the tax authorities publicly available?	Yes, they are available at the following link: www.sii.cl/pagina/jurisprudencia/legis.htm .