Insights: Tax & Legal Highlights

A monthly selection of the latest tax developments of interest.
English edition

KPMG Chile

July 2026

Contents

1. Changes criterion for determining the IPE credit

The IRS rules on how to determine the IPE credit (foreign tax paid credit) when a Chilean company receives dividends from a foreign holding company that, in turn, accumulates profits from investments in different countries.

Under the Income Tax Law, the IPE credit must be determined by considering the taxes paid abroad that correspond proportionally to the profits ultimately distributed to Chile.

However, under a previous IRS criterion (Ruling No. 799 of 2023), it was stated that when the legislation of the country from which the remittance was made did not establish rules to identify which specific profits were being distributed to Chile, it was necessary to apply a proportionality mechanism to determine what portion of the taxes borne abroad could give rise to a credit in Chile. For this purpose, the IRS instructed taxpayers to consider the ratio between taxable profits and the total accumulated financial profits of the foreign entities.

However, the IRS acknowledges that this mechanism creates significant practical difficulties, especially due to the complexity of accessing financial information from foreign companies—particularly in structures with minority interests—and due to the differences that may arise between financial and taxable results in the various jurisdictions involved.

For this reason, the IRS partially modifies its previous criterion and establishes that, when this proportionality must be applied, financial profits should no longer be considered, thereby eliminating one of the elements that generated the greatest operational difficulties.

In addition, each taxpayer must maintain its own records and supporting documentation to evidence the profits remitted to Chile and the associated credit, using documentation issued by the competent foreign authorities or, failing that, any other means of evidence.

2. New interest and penalty waiver policy

The IRS issues a new interest and penalty waiver policy, effective as of June 18, 2026, establishing objective waiver percentages based on the age of the tax assessment.

Interest waiver

The interest waiver will apply exclusively to the additional 3.5% component and will range from 75% to 0%, depending on the age of the tax assessment:

Age of the tax assessment	Waiver percentage
1 to 3 months	75%
4 to 12 months	55%
13 to 18 months	30%
19 to 24 months	15%
More than 24 months	0%

Penalty waiver

The waiver will apply to the total amount of the penalty and will range from 70% to 0%, also depending on the age of the tax assessment:

Age of the tax assessment	Waiver percentage
1 to 3 months	70%
4 to 12 months	50%
13 to 18 months	30%
19 to 24 months	20%
More than 24 months	0%

Age of the tax assessment

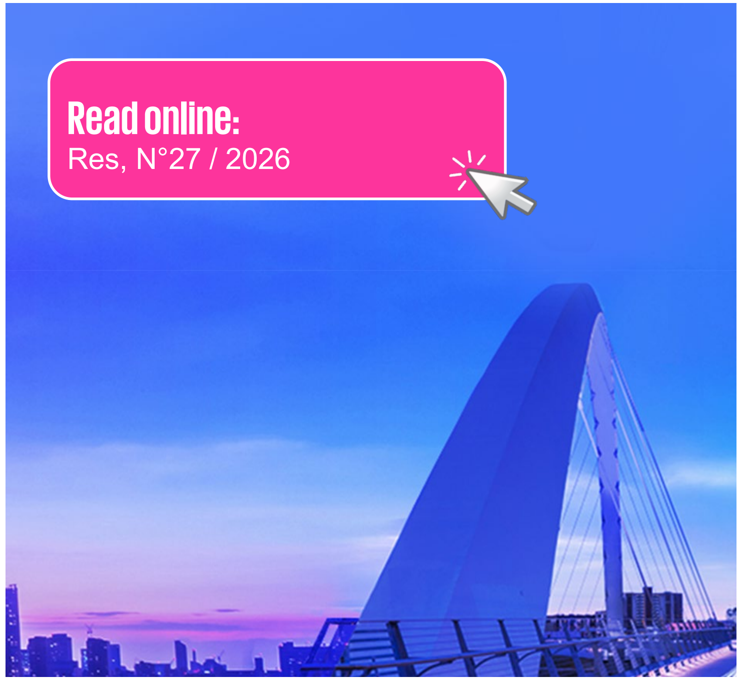
The age of the tax assessment will be counted from the calendar month of its issuance and, in the case of Real Estate Tax, the calculation will begin in the month following the due date of the relevant installment, in both cases extending through the last day of the final calendar month of each bracket.

Additional or exceptional waiver

Taxpayers who pay their entire tax debt may access an additional waiver equivalent to 5% of the incremental interest, provided that the debt includes more than one folio and none has an age exceeding 24 months.

Likewise, the Circular provides special mechanisms for large debtors and exceptional waiver cases of up to 100% in specially qualified situations, such as insolvency, serious illness, theft, casualties, or catastrophe situations.

Finally, the IRS establishes several circumstances that prevent access to waivers, including having pending tax background information to justify, being subject to tax criminal proceedings, or hindering IRS audits, among others.



3. Application of the Chile-Netherlands DTT to training services

The IRS analyzes the tax treatment applicable to payments made from Chile to a supplier resident in the Netherlands for training services provided remotely.

As a starting point, the authority notes that the taxation of the remittance depends on the nature of the contracted service, distinguishing between a general training service, a technical service, or a potential transfer of know-how.

Under the Chile-Netherlands DTT, a training service would, in principle, qualify as business profits, so the income would only be taxed in the Netherlands. However, if the training consists of the transfer of know-how, the payment could qualify as a royalty under the DTT, allowing Chile to tax the remittance at a maximum rate of 10%.

For VAT purposes, training courses would be exempt from tax to the extent that the activity is aimed at transmitting knowledge or techniques regarding a specific discipline.

Read online:
Ruling N°1418 / 2026

4. Tax consequences of unreliable invoices

The IRS analyzes the tax consequences arising from the use of false or unreliable invoices.

For VAT purposes and, as a general rule, false or unreliable invoices do not entitle the recipient of the document to a VAT input tax credit, unless the exceptions and requirements established under the regulations in force are met.

Regarding the expense, the IRS emphasizes that the mere existence of a false or unreliable invoice does not automatically imply the disallowance of the expense for income tax purposes, since the taxpayer may evidence the actual performance of the transaction through other means of proof.

When the taxpayer is unable to adequately evidence the actual nature of the expense or the expense fails to meet the requirements for tax deductibility, a distinction must be made between situations involving an effective cash disbursement or a benefit for owners or related parties, and those that do not.

Thus, the disallowed expense could be subject to the single tax under Article 21 of the Income Tax Law, but not automatically by the mere existence of a false invoice; rather, only to the extent that it constitutes an effective cash disbursement or a benefit for owners or related parties of the company.

Read online:
Ruling N°1407 / 2026

5. VAT on invoice intermediation services

A query was submitted regarding the tax treatment of invoice intermediation activities regulated by the Fintech Law.

The Fintech Law classifies invoices as financial instruments and defines their intermediation as the service consisting of carrying out purchase or sale activities involving such instruments, acting on one's own account or on behalf of third parties.

When invoices are purchased or sold on one's own account, that is, without acting on behalf of a third party, the economic result obtained corresponds to the taxpayer's own business return and not to remuneration for services rendered to third parties or to a sale subject to VAT.

By contrast, intermediation services provided in exchange for remuneration in the purchase or sale of invoices, as well as ancillary or complementary services associated with such activity, are subject to VAT because they constitute the taxable event consisting of a service.

Read online:
Ruling N°1538 / 2026

6. Issuance of settlement invoices

A query was submitted regarding the tax treatment of adjustments, cancellations and reductions of transactions documented through electronic settlement invoices, carried out by commission agents, consignees, auctioneers and other intermediaries acting on behalf of third parties.

The IRS states that, in order to make adjustments to the amount documented in the invoicing—whether to reflect discounts, bonuses, returns, or because a higher VAT debit was invoiced—agents are required to issue the corresponding credit note.

Likewise, for purposes of reflecting and passing such adjustment on to the principal, this lower VAT debit must be included in the settlement invoice for the relevant period. In this context, when the amount of the credit notes exceeds the debits generated during the period, the settlement may show a negative balance.

Intermediaries must issue at least one settlement per tax period summarizing the transactions carried out on behalf of their principals and the VAT associated with them.

If several settlements are issued within the same period and one of them contains an obvious error, that situation may be corrected by issuing a new settlement invoice with negative values, allowing the reported VAT debit and its reflection in the Purchase and Sales Ledger to be properly adjusted.

Read online:
Ruling N°1412 / 2026

7. Stamp Tax on refinancing granted by bank branches abroad

The IRS analyzes the application of the Stamp Tax exemption provided for refinancing transactions when the new loan is granted by a foreign branch of a bank incorporated in Chile.

The query concerns loans granted to Chilean debtors by a foreign branch of a Chilean bank, intended to repay prior loans granted by banks incorporated or authorized to operate in Chile.

To resolve the case, the analysis focuses on determining whether the branch abroad may be considered a financial institution authorized to access the exemption. In this regard, it is concluded that these branches fall within the concept of financial institution used by the CMF, since they form part of the Chilean bank that established them and are authorized to carry out credit transactions.

It also notes that branches abroad are subject to CMF supervision and are authorized under banking legislation to grant loans to persons domiciled or resident in Chile, provided that certain regulatory conditions are met.

Consequently, the IRS concludes that a foreign branch of a bank incorporated in Chile may access the Stamp Tax exemption with respect to documents issued or executed in connection with refinancing loans granted by such branch.

The foregoing applies provided that the other legal requirements are met, including that the new financing is effectively used to repay prior loans and that the other conditions applicable to this benefit are verified.

Read online:
Ruling N°1531 / 2026

8. Tax deduction of carbon credits

A query was submitted as to whether disbursements incurred in the acquisition of carbon credits—instruments that allow greenhouse gas emissions to be offset—may be deducted as a tax expense.

Under a prior administrative criterion, the IRS indicated that the acquisition of these credits to offset a taxpayer's own emissions did not qualify as an expense necessary to produce income.

However, the IRS acknowledges that this interpretation was issued under a different regulatory context that did not take into account the expansion of the concept of expense necessary to produce income, which has also incorporated disbursements capable of generating income in current or future fiscal years.

In this new context, it is concluded that the acquisition of carbon credits could be deducted as an expense by the relevant company when intended to offset its own emissions and when it responds to regulatory requirements, customer or investor requirements, or compliance with industry standards, to the extent that it contributes to the development or maintenance of the business.

By contrast, if the credits are acquired as assets intended for subsequent trading in the market, their cost may not be immediately deducted as an expense, but must be recognized as part of the tax basis of the asset upon its disposal.

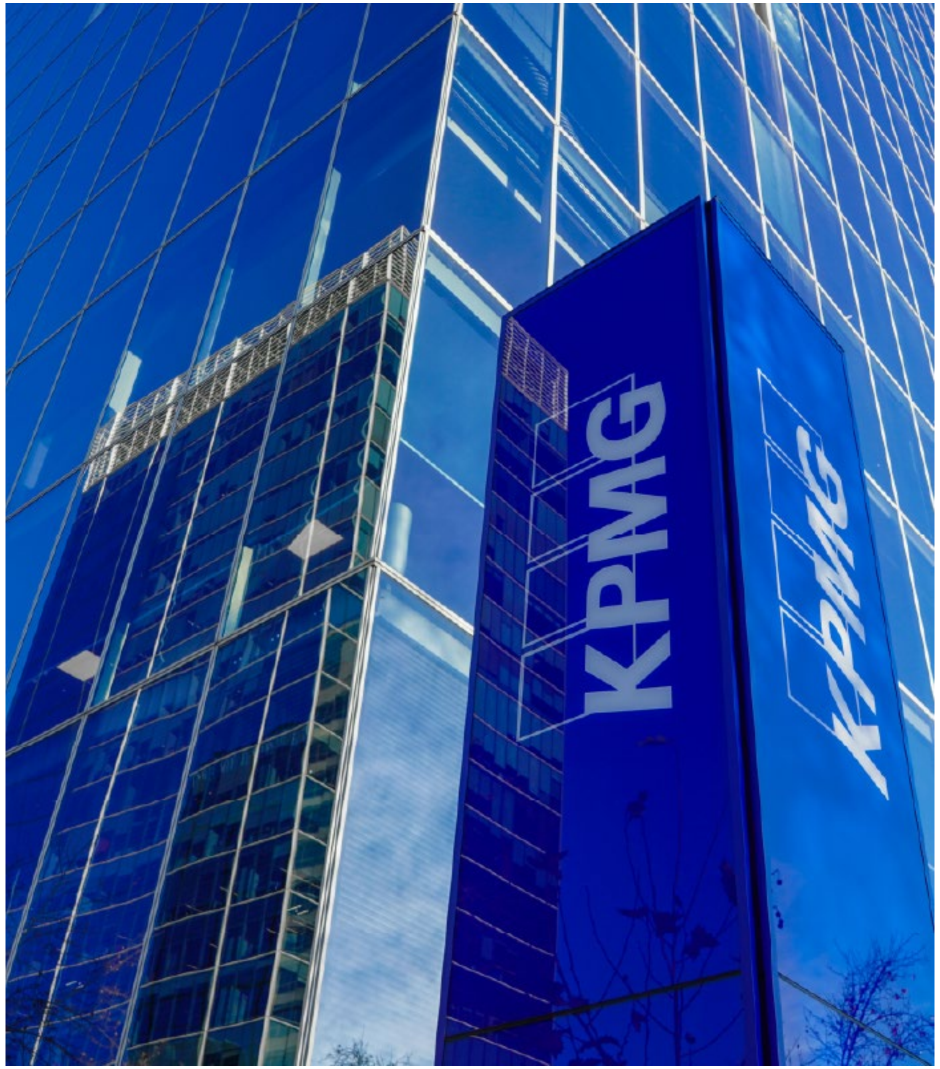
Read online:
Ruling N°1529 / 2026

Other Rulings

Circular Letter. 26, dated 06/18/2026	Updates instructions regarding the voluntary administrative reconsideration appeal, in accordance with the amendments introduced by Law No. 21,713 to Article 124 of the Tax Code. Amends Circular No. 12 of 2021. Repeals Circular No. 23 of 2018.
Exempt Resolution IRS No. 83, dated 07/23/2026	Establishes a voluntary regime for the full change of the VAT taxpayer in agricultural services provided to third parties.
Ruling No. 1414, dated 06/10/2026	Use as an expense of the specific diesel oil tax not recovered in the manner provided under Article 2 of Law No. 19,764.
Ruling No. 1416, dated 06/10/2026	Improper recovery of the specific fuel tax used in trucks received under a gratuitous loan agreement.

Glossary

CMF	Financial Market Commission
DTT	Double Tax Treaty
CT	Tax Code
IPE	Taxes paid abroad
VAT	Value Added Tax
CITL	Income Tax Law
VATL	VAT Law
GAAR	General Anti-Avoidance Rule
IRS	Internal Revenue Service



Learn about KPMG Tax Technology Solution®

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

Read more

KPMG. Make the Difference.

KPMG

Contacts

Juan Pablo Guerrero
Lead, Partner, Tax & Legal
jguerrero1@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
antonioguzman@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