

GMS Flash Alert

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Chile – New Sworn Statement N° 1920: Voluntary Report of Assets and Income Located Abroad

On October 25, 2024, the Chilean tax authority (*Servicio de Impuestos Internos*, hereinafter “Chilean IRS”) published Resolution Ex. N° 103¹, establishing a new and voluntary tax form to report assets and income located abroad, through Sworn Statement N° 1920 (hereinafter “Form N° 1920”)².

The Resolution establishes the scope, instructions, and format of this new form, in which taxpayers can voluntarily report to the Chilean IRS assets and income located abroad, when, having been subject to taxes in Chile, they have not been timely reported and/or taxed according to the corresponding taxes in Chile.

A tax rate of 12 percent will be applied as a final and substitute³ tax for other applicable taxes. The filing of Form N° 1920 started on November 1 and initially, taxpayers had until November 30, 2024 to file the Form; however, the due date has been extended until December 31, 2024, by the Senate.⁴

WHY THIS MATTERS

From a taxpayer’s perspective, new Form N° 1920 is a voluntary, extraordinary, and temporary Sworn Statement to inform the Chilean IRS of unreported assets and income (that will be subject to a 12-percent rate of tax).

International assignment program managers with assignees subject to Chilean tax law may wish to inform affected assignees about this Form and underscore its voluntary (not mandatory) nature.

More Details

Resolution Ex. N° 103 establishes the mechanism to report assets and income that taxpayers have held abroad, when, having been subject to taxes in the country, they have not been timely reported and/or taxed according to the corresponding taxes in Chile.

An income tax of 12 percent would be applicable only upon the income declared, not the value of the assets held abroad. Furthermore, Form N°1920 is just for informational purposes.

Relevant Dates

Form N° 1920 must be filed electronically with the Chilean IRS, through the Chilean IRS website, by November 30, 2024; however, it is important to note that the due date was extended until December 31, 2024, by the Senate.

The Chilean IRS will notify the taxpayer within five business days about the tax due, which the taxpayer will then have to pay within 10 business days after this notice is received from the Chilean IRS.

Who Is Able to File Form N° 1920?

- Taxpayers who are deemed to be domiciled or resident for tax purposes in Chile (Chilean nationals or foreign nationals with more than three years of tax residence in Chile), prior to January 1, 2023.

Who Needs Not File Form N° 1920?

- Taxpayers who intend to declare assets and income located in countries considered “high risk.”
- Taxpayers who have been convicted, formalized (i.e., charged with a crime), or subject to other proceedings with the IRS, such as money laundering or tax crime.
- Taxpayers should not have summonses, liquidations, or assessments issued by the Chilean IRS related to assets or income they intend to report on this Form.

What Types of Assets and Income Could Be Subject to This Benefit?

- All types of assets, including movable and immovable property, tangible and intangible assets, such as shares or rights in companies established abroad, or the right to benefits from a trust or fiduciary arrangement.
- All types of financial instruments or securities, such as bonds, fund shares, deposits, and similar instruments, payable in foreign currency.
- Foreign currency.
- Income derived from the aforementioned assets, such as dividends, profits, and interest.

Statute of Limitations

From the date of tax payment, the IRS will have 12 months to review the extent to which the submitting taxpayer is in compliance with his/her report, to check the requirements have been met, and remit any tax differential that is determined. Once this period has elapsed, it is understood that the filing was made in a way that meets all the legal requirements.

KPMG INSIGHTS

Given the recent introduction of the new Form and the opportunity to come into compliance with respect to undeclared overseas assets/income, taxpayers may have questions about what may be declared on the Form, steps to take, timelines, etc. Such questions may be addressed to the taxpayer’s usual tax service provider or a member of the tax team with KPMG in Chile (see the Contacts section).

FOOTNOTES:

- 1 *Servicio de Impuestos Internos*, [RESOLUCIÓN EX. SII N°103](#).
- 2 *Servicio de Impuestos Internos*, [Procedimiento voluntario y extraordinario de declaración de bienes o rentas que se encuentren en el extranjero \(Repatriación de Capitales\)](#).
- 3 Meaning, substitute for any other tax liability, such as the annual tax.
- 4 Senado, "Ley de cumplimiento tributario: despachan normas que modifican la vigencia y plazos de algunas disposiciones" at: <https://www.senado.cl/comunicaciones/noticias/ley-de-cumplimiento-tributario-despachan-normas-que-modifican-la-vigencia-y>.

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Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Chile:



Angelo Adasme
Partner
Tel + 56 22997 1435
aadasme1@kpmg.com



Gustavo Maldonado
Director
Tel + 56 22997 1436
galdonado@kpmg.com



Juan Pablo Mery
Manager
Tel + 56 22997 1433
jmery@kpmg.com

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