

INVESTING IN CHILE:

NEW OPPORTUNITIES AND TAX BENEFITS

The recently approved National Reconstruction and Economic and Social Development Act introduces tax benefits for companies, local and foreign investors, and individuals. Key measures include a gradual reduction in corporate income tax, tax invariability for eligible projects, and changes to the taxation of dividends and capital gains. Learn about their scope, deadlines, and requirements.



The recently approved National Reconstruction and Economic and Social Development Act (the "Act") introduces tax benefits for companies, local and foreign investors, and individuals. Key measures include a gradual reduction in corporate income tax, tax invariability for eligible projects, and changes to the taxation of dividends and capital gains.

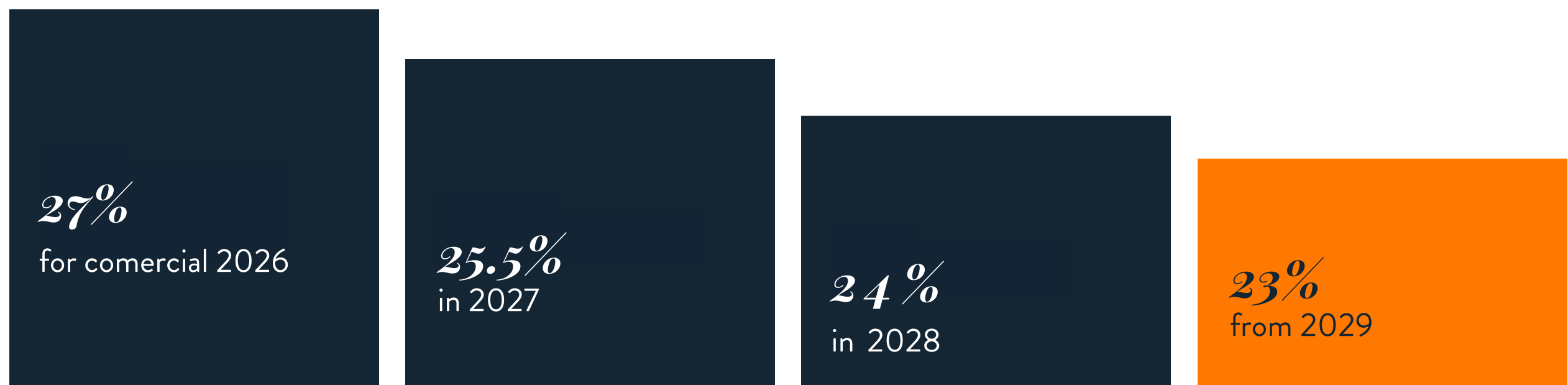
Below, we outline the main tax opportunities, what changes, who may benefit, and what should be reviewed in each case.

Key changes:

N°	MEASURE	FOR WHOM
1	Corporate income tax reduction	Companies
2	Gradual integration of the tax system	Companies and owners
3	Substitute tax on historical profits and withdrawals	Companies and owners
4	Credit for exporters of knowledge-based services	Exporting companies
5	Tax invariability for investment projects	Investors
6	Capital gains under Article 107	Investors
7	Voluntary disclosure and repatriation of capital	Investors and individuals
8	Reduction of donations tax	Families
9	Property-tax exemption for individuals aged 65 or older	Older adults
10	Temporary VAT exemption on sales of new homes	Developers and home buyers
11	Extraordinary waiver of interest and penalties on tax debts	Individuals and SMEs

1. CORPORATE INCOME TAX REDUCTION

The general-regime first-category tax rate will decrease gradually:



Companies under the Pro-Pyme regime remain subject to the special transitional rates preserved by law. The reduction applies by commercial year, i.e., the fiscal year in which income is accrued or received, and not the year in which the annual tax return is filed. As a general rule, the 25.5% rate for 2027 will be reflected in the tax return filed for tax comercial 2028.

The Act also adjusts monthly provisional payments (PPMs), which are prepayments of annual tax; accordingly, the reduction may affect cash flow during the fiscal year.

Important: the general schedule does not replace the Pro-Pyme transitional rates under Law No. 21,755, and exceptions apply to taxpayers under Article 14(G). In addition, the lower corporate rate should be analyzed together with the taxation of owners and the tax credit integration rules; on its own, it does not determine the overall tax burden on a distribution.

What to consider: review cash-flow and tax-burden projections based on the tax regime applicable to each company.

2. GRADUAL INTEGRATION OF THE TAX SYSTEM

The restitution of part of the first-category tax (IDPC) credit that owners may apply against their final taxes will be phased out gradually:

General-regime credits generated in commercial year 2027: **30%** restitution applies.

Credits generated in commercial year 2028: **20%** restitution applies.

Credits generated from 2029 onward: **Full integration**, with no credit restitution requirement.

Prior credits retain their existing treatment.

Example: a credit of 100 generated in commercial year 2027 is subject to 30% restitution; a credit generated in 2028 is subject to 20% restitution, where that obligation applies.

The reform takes effect on January 1, 2027 and establishes transitional rules based on the source and year in which each credit was generated. Credits accumulated as of December 31, 2026 are applied first under the rules then in force, followed by credits generated in 2027 and, lastly, those generated in 2028.

Key considerations: distributing dividends from 2029 onward does not, by itself, ensure full integration. The SAC register and the special rules applicable to each owner, including treaty beneficiaries, must be reviewed. Credits received from other companies or through reorganizations retain the treatment corresponding to their origin.

Recommendation: review the SAC register and each owner's circumstances before planning withdrawals or distributions.

3. SUBSTITUTE TAX ON HISTORICAL PROFITS AND WITHDRAWALS

Companies may elect to pay a 10% single tax, with no entitlement to the associated credits, on certain historical balances: the Reinvested Profits Fund (FUR), the Total Taxable Profits Balance (STUT) at year-end 2025 or 2026, as applicable, and excess withdrawals pending allocation, subject to statutory adjustments and deductions. For the STUT, the tax base is capped at the lower of that balance and the RAI register (income subject to final taxes), taking the relevant allocations into account.

The election must be made by filing a return and paying the tax within eight months of publication of the Act.

Payment discharges the tax liability on the amounts covered and allows their subsequent withdrawal, remittance, or distribution without applying the general allocation order.

For excess withdrawals, the election settles the outstanding taxation of amounts already withdrawn, under the applicable special rules.

Key considerations: the benefit does not indiscriminately cover all accumulated profits; associated credits are extinguished as provided by law, and the tax is not deductible as an expense.

Recommendation: compare the 10% cost with ordinary taxation and the value of credits that would be lost, taking into account updated tax registers and distributions already made.

4. TAX CREDIT FOR EXPORTERS OF KNOWLEDGE-BASED SERVICES

A credit against first-category tax is introduced.

Credit equal to 15% of certain remuneration related to exports of knowledge-based services.	Increased to 20% based on location if the establishment and the employees' primary place of work are outside the Metropolitan Region or its rural municipalities.	Annual cap of 75 UTM per employee. The statutory term begins on November 1, 2026.
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To qualify, the services must:

- 1 Be knowledge-based and capable of being provided remotely.
- 2 Be classified as exports by the National Customs Service.
- 3 Be provided wholly or partly from Chile for use abroad by persons without domicile or residence in Chile.

The credit is calculated on eligible remuneration paid to employees domiciled and resident in Chile who are connected with the services, weighted by the proportion of revenue from these exports to total revenue. Any unused credit may be carried forward, but is not refundable.

Key considerations: operating in the sector is not sufficient to qualify. Incompatibilities with other remuneration-related benefits and substantiation requirements apply.

Recommendation: review the customs classification, document each employee's connection to eligible services, and substantiate their actual place of work to apply the increased rate.

5. TAX INVARIABILITY FOR INVESTMENT PROJECTS

From January 1, 2027, foreign and domestic investors may agree to tax invariability for eligible projects involving an investment of at least US\$50 million. A contract with the State is required. The protection period, which depends on the amount invested, runs from the project's start of operations:

INVESTMENT	TERM OF TAX INVARIABILITY	
At least US\$50 million and less than US\$100 million	At least US\$100 million and less than US\$350 million	At least US\$350 million
10 years	15 years	20 years

The regime covers mining, industrial, forestry, energy, infrastructure, and telecommunications projects, as well as research, technological development, and medical or scientific projects. In exchange for the protection, the first-category tax rate on income covered by the regime increases by 1.5 percentage points.

Tax invariability covers the tax elements and rights expressly provided for, with special rules for imports of capital goods and for mining. The contract is based on the legislation in force when it is executed and, for foreign investment, protects the overall effective income-tax burden on the terms established by law. For mining, it also covers certain rules on royalties, new specific taxes, and mining concessions. Separate accounting, audits, and financial reporting, among other obligations, are required. For domestic investors, the regime does not cover personal income tax (Global Complementary Tax).

Key considerations: this is not a tax exemption, does not ensure that future tax reductions will apply, and does not replace sectoral permits or authorizations.

Recommendation: assess whether the certainty provided for the project's financial evaluation justifies the 1.5 percentage-point surcharge and the contractual requirements.

6. CAPITAL GAINS UNDER ARTICLE 107

From January 1, 2027, gains from the sale of shares in publicly listed corporations with stock-market presence, and units in investment funds and mutual funds covered by Article 107 of the Income Tax Law, will again qualify as non-taxable income, replacing the 10% single tax, provided the applicable requirements are met.

In other words, an eligible gain falls outside the income-tax base.

Depending on the instrument, the stock-market presence, acquisition, sale, and other statutory requirements must be verified.

Losses from these transactions are linked to non-taxable income, in accordance with the statutory amendment.

Key considerations: the rule does not automatically extend to shares in closely held companies or every sale of securities, and it does not create a tax credit or refund of tax paid on prior transactions.

Recommendation: before selling, verify the instrument, acquisition method, and sale mechanism. The reform may affect the timing and structuring of divestments.

7. VOLUNTARY DISCLOSURE AND REPATRIATION OF CAPITAL

For 12 months from January 1, 2027, an extraordinary regime will allow the disclosure of certain foreign assets and income. As a general rule, the disclosure does not require the assets to be repatriated.

10%

General rate: 10% of the value of the disclosed assets or income, not merely the gain realized on their sale.

7%

Reduced rate: 7% if the assets or income are brought into Chile within three years of publication of the Act and the eligible investment is maintained in Chile for at least five years after its entry, with annual reporting.

Taxpayers domiciled, resident, established, or incorporated in Chile may qualify in respect of assets or rights acquired before January 1, 2026, and income generated up to the date of disclosure, subject to statutory requirements and exclusions. Covered assets include equity interests, financial instruments, real estate, and crypto-assets, as well as certain foreign structures holding assets in Chile. Ownership, source, and value must be substantiated, and ultimate beneficial owners identified. A special rule applies to certain income not yet subject to Chilean tax: only that income is taxed, and entry and investment in Chile are required.

To retain the 7% rate, the Act allows eligible investments in Chile to be substituted during the holding period and requires final underlying assets located in Chile to represent at least 80% of the total investment, on the terms of the regime.

Key considerations: failure to meet the holding-period requirement triggers repayment of the difference and a penalty equal to 20% of the disclosed value. The tax does not give rise to a credit and is not deductible as an expense. Taxpayer and jurisdictional exclusions should also be reviewed.

Recommendation: gather evidence of ownership, source, and value for each asset, and check whether any exclusion applies.

8. REDUCTION OF DONATIONS

The Act allows a 50% reduction in donations on certain donation and waives the court approval procedure (insinuación judicial), subject to the special formalities it establishes.

The one-year window to execute the deeds and file the donor's return begins on December 1, 2026.

The benefit may be used once per donor, subject to an aggregate cap of **50%** of the donor's net worth.

Beneficiaries: persons who may inherit reserved portions or the fourth of improvements; only if the donor has none of these, other persons may benefit. The allocation may be freely determined within the regime.

Formalities: a public deed and sworn statement are required, and the tax must be paid before notarial authorization. Transfers and registrations may be completed after the execution window.

Funding: the Act allows the tax to be funded through loans from certain related companies, subject, among other requirements, to minimum adjustment for inflation in UF and a maximum term of ten years.

Spouse: donations to a spouse under the regime are irrevocable.

Key considerations: if the donee disposes of the asset within three years, its tax basis will be the lower of the donor's basis and the basis that would apply to the donee under the general rules. Accordingly, the donation should be assessed together with any planned sales or reorganizations.

Recommendation: assess the transaction as an estate-planning tool, after valuing the assets and substantiating liabilities.

9. PROPERTY TAX EXEMPTION FOR INDIVIDUALS AGED 65 OR OLDER

From January 1, 2027, individuals aged 65 or older may apply for a 100% exemption from property tax on their principal residence, including qualifying associated parking spaces and storage units. There are no income or assessed-value caps, but an annual sworn statement is required, and the payments specified by law must be current.

Residence: the property must be the taxpayer's habitual residence and principal place of residence. Only one home in Chile may qualify.

Payments current: municipal cleaning fees and property taxes for the immediately preceding year.

Use: the home must continue to be used as a residence.

The Act also addresses special situations:

In co-ownership, all owners must be individuals and, as a general rule, the beneficiary must reside in the property and own at least 50% of the rights. A special 25% threshold applies to acquisitions by inheritance from a spouse or civil partner.

For mixed-use properties, residential space must account for at least 50% of the built area and must actually be occupied by the owner.

Acquisitions from related parties within the preceding three years require evidence of purposes other than tax considerations alone.

After the taxpayer's death, the estate may retain the benefit for up to three years, subject to a special rule for a surviving spouse or civil partner aged 65 or older who resides in the home.

Recommendation: review ownership and substantiate actual residence before applying for the exemption.

FOR THE REAL ESTATE SECTOR AND HOME BUYERS

10. TEMPORARY VAT EXEMPTION FOR SALES OF NEW HOMES

An optional VAT exemption is established for the first sale of new homes that obtained final municipal approval before publication of the Act.

It may cover later sales preceded by a promise to purchase executed during that period.

The main window begins on December 1, 2026 and lasts one year.

Formalities: the sale must be recorded in a public deed during the statutory window, or arise from a promise executed by public deed or a private instrument notarized during that window. Final municipal approval must be evidenced by the relevant municipal certificate.

Scope: no price or floor-area limits. Includes parking spaces and storage units sold together with the home, if municipal approval requirements are met.

Input VAT: the seller retains the related input VAT credit, subject to statutory alternatives for its use or recognition as a cost or expense.

Prior sales: a mechanism is available for certain sales made before the window opens, with a VAT refund conditional on reimbursing the person who bore the tax and meeting the other requirements.

Key considerations: this is not a general exemption for construction activity, and transfers between related companies are not treated as a first sale. The economic effect for the buyer will depend on the agreed price: the exemption does not automatically reduce the home's total price by 19%.

Recommendation: review inventory, municipal approvals, and contractual documentation.

11. EXTRAORDINARY WAIVER OF INTEREST AND PENALTIES ON TAX DEBTS

The Act establishes an exceptional mechanism allowing individuals and micro, small, and medium-sized enterprises (SMEs) to regularize outstanding tax obligations before the General Treasury of the Republic (TGR), through special waivers of interest and penalties and payment facilities.

The benefit applies to tax obligations due on or before December 31, 2025. The extraordinary regime is available for 180 days, from October 17, 2026 through April 15, 2027, with different terms depending on the regularization method.

180 days

October 17, 2026 to April 15, 2027

Full payment of the entire debt

Up to 100% waiver of interest;
up to 80% waiver of penalties.

Installment agreement

Up to 95% waiver of interest;
up to 75% waiver of penalties.

Requirements: initial payment of at least 10% of principal; up to 48 equal, consecutive monthly installments; maximum of three agreements per taxpayer.

Key considerations: the application and retention of waivers are subject to timely compliance with the undertakings made. An agreement may be terminated for non-compliance, reinstating the interest and penalties originally charged on the debt.

Recommendation: identify obligations due on or before December 31, 2025, compare full payment with an installment agreement, and regularize within the 180-day window.

KEY DATES

DATE WHAT IT COVERS

<i>October 17, 2026</i>	Start of the extraordinary waiver of interest and penalties on tax debts (180 days).
<i>November 1, 2026</i>	Tax credit for exporters of knowledge-based services.
<i>December 1, 2026</i>	One-year window for the donations reduction and temporary VAT exemption on sales of new homes.
<i>January 1, 2027</i>	Tax invariability; capital gains under Article 107; property-tax exemption for individuals aged 65 or older; voluntary disclosure and repatriation of capital (12 months); 25.5% corporate tax rate and first changes to tax-credit integration.
<i>Eight months after publication</i>	Deadline to elect the 10% substitute tax on historical profits and withdrawals.
<i>Three years after publication</i>	Last date to bring capital into Chile and qualify for the 7% rate.

Next steps

Implementation will be gradual, and each measure has its own requirements and deadlines. To benefit from the Act, it will be important to assess which provisions apply in each case, review their requirements and time limits, gather the necessary supporting documents, and update tax projections.

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