



**CONVENTION**  
**BETWEEN THE GOVERNMENT OF THE REPUBLIC OF CHILE AND THE**  
**GOVERNMENT OF THE ITALIAN REPUBLIC FOR THE ELIMINATION**  
**OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND**  
**THE PREVENTION OF TAX EVASION AND AVOIDANCE**

The Government of the Republic of Chile and the Government of the Italian Republic,

**Desiring** to further develop their economic relationship and to enhance their cooperation in tax matters,

**Intending** to conclude a Convention for the elimination of double taxation with respect to taxes on income without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Convention for the indirect benefit of residents of third States)

**Have agreed as follows:**

**CHAPTER I**  
**SCOPE OF THE CONVENTION**

**Article 1**  
**PERSONS COVERED**

This Convention shall apply to persons who are residents of one or both of the Contracting States.

**Article 2**  
**TAXES COVERED**

1. This Convention shall apply to taxes on income imposed on behalf of a Contracting State or of its political or administrative subdivision or local authorities, irrespective of the manner in which they are levied.



2. There shall be regarded as taxes on income all taxes imposed on total income or on elements of income, including taxes on gains from the alienation of movable or immovable property, taxes on the total amount of wages or salaries paid by enterprises, as well as taxes on capital appreciation.

3. The existing taxes to which the Convention shall apply are in particular:

(a) in Chile, the taxes imposed under the Income Tax Act, “Ley sobre Impuesto a la Renta” (hereinafter referred to as “Chilean tax”); and

(b) in Italy,

(i) the personal income tax (l’imposta sul reddito delle persone fisiche);

(ii) the corporate income tax (l’imposta sul reddito delle società);

(iii) the regional tax on productive activities (l’imposta regionale sulle attività produttive);

whether or not they are collected by withholding at source (hereinafter referred to as “Italian Tax”).

4. The Convention shall apply also to any identical or substantially similar taxes which are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall, at the end of each year, notify each other of any significant changes which have been made in their respective taxation laws.

## **CHAPTER II**

### **DEFINITIONS**

#### **Article 3**

#### **GENERAL DEFINITIONS**

1. For the purposes of this Convention, unless the context otherwise requires:



- a) the term "Italy" means the Italian Republic and includes any area beyond the territorial waters which is designated as an area within which Italy, in compliance with its legislation and in conformity with International Law, may exercise sovereign rights in respect of the exploration and exploitation of the natural resources of the seabed, the subsoil and the superjacent waters;
- b) the term "Chile" means the Republic of Chile and includes any area beyond the territorial waters which is designated as an area within which Chile, in compliance with its legislation and in conformity with International Law, may exercise sovereign rights in respect of the exploration and exploitation of the natural resources of the seabed, the subsoil and the superjacent waters;
- c) the terms "a Contracting State" and "the other Contracting State" mean Chile or Italy, as the context requires;
- d) the term "person" includes an individual, a company and any other body of persons;
- e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
- f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- g) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when such transport is solely between places in the other Contracting State;
- h) the term "competent authority" means:
  - (i) in the case of Chile, the Minister of Finance, the Commissioner of the Revenue Service, or their authorised representatives; and
  - (ii) in the case of Italy, the Ministry of Economy and Finance or its authorised representatives;



i) the term "national" means:

- (i) any individual possessing the nationality of a Contracting State; or
- (ii) any legal person, *partnership* or association constituted in accordance with the laws in force in a Contracting State.

2. As regards the application of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Convention applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

#### **Article 4 RESIDENT**

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar nature, and also includes that State, any political and administrative subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);

b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;



c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;

d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, the competent authorities of the Contracting States shall endeavour to settle the question by mutual agreement having regard in particular to its place of effective management, the place where it is incorporated or otherwise constituted and any other relevant factors. In the absence of such agreement, such person shall not be entitled to any relief or exemption from tax provided by the Convention.

#### **Article 5**

#### **PERMANENT ESTABLISHMENT**

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" includes especially:

a) a place of management;

b) a branch;

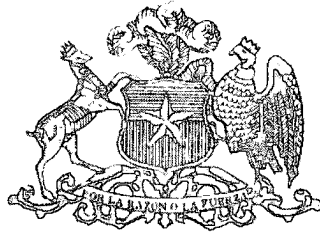
c) an office;

d) a factory;

e) a workshop; and

f) a mine, an oil or gas well, a quarry or any other place relating to the exploration for or the exploitation of natural resources.

3. The term "permanent establishment" shall also include:



a) a building site or construction or installation project and the supervisory activities in connection therewith, but only if such building site, construction or activities last more than six months; and

b) the furnishing of services, including consultancy services, by an enterprise through employees or other individuals engaged by the enterprise for such purpose where such activities continue within the country for a period or periods exceeding in the aggregate 183 days in any twelve month period.

4. Notwithstanding the preceding provisions of this Article, the term "permanent establishment" shall be deemed not to include:

a) the use of facilities solely for the purpose of storage, display or delivery of goods or merchandise belonging to the enterprise;

b) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage, display or delivery;

c) the maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise;

d) the maintenance of a fixed place of business solely for the purpose of purchasing goods or merchandise or of collecting information, for the enterprise;

e) the maintenance of a fixed place of business solely for the purpose of advertising, for the supply of information, for scientific research or for similar activities;

provided that such activity is of a preparatory or auxiliary character.

4.1 Paragraph 4 shall not apply to a fixed place of business that is used or maintained by an enterprise if the same enterprise or a closely related enterprise carries on business activities at the same place or at another place in the same Contracting State and

a) that place or other place constitutes a permanent establishment for the enterprise or the closely related enterprise under the provisions of this Article, or



b) the overall activity resulting from the combination of the activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, is not of a preparatory or auxiliary character, provided that the business activities carried on by the two enterprises at the same place, or by the same enterprise or closely related enterprises at the two places, constitute complementary functions that are part of a cohesive business operation.

5. Notwithstanding the provisions of paragraphs 1 and 2 but subject to the provisions of paragraph 6, where a person is acting in a Contracting State on behalf of an enterprise and, in doing so, habitually concludes contracts, or habitually plays the principal role leading to the conclusion of contracts that are routinely concluded without material modification by the enterprise, and these contracts are

- a) in the name of the enterprise, or
- b) for the transfer of the ownership of, or for the granting of the right to use, property owned by that enterprise or that the enterprise has the right to use, or
- c) for the provision of services by that enterprise,

that enterprise shall be deemed to have a permanent establishment in that State in respect of any activities which that person undertakes for the enterprise, unless the activities of such person are limited to those mentioned in paragraph 4 which, if exercised through a fixed place of business, would not make this fixed place of business a permanent establishment under the provisions of that paragraph.

6.

a) Paragraph 5 shall not apply where the person acting in a Contracting State on behalf of an enterprise of the other Contracting State carries on business in the first-mentioned State as an independent agent and acts for the enterprise in the ordinary course of that business. Where, however, a person acts exclusively or almost exclusively on behalf of one or more enterprises to which it is closely related, that person shall not be considered to be an independent agent within the meaning of this paragraph with respect to any such enterprise.



b) For the purposes of this Article, a person is closely related to an enterprise if, based on all the relevant facts and circumstances, one has control of the other or both are under the control of the same persons or enterprises. In any case, a person shall be considered to be closely related to an enterprise if one possesses directly or indirectly more than 50 per cent of the beneficial interest in the other (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) or if another person possesses directly or indirectly more than 50 per cent of the beneficial interest (or, in the case of a company, more than 50 per cent of the aggregate vote and value of the company's shares or of the beneficial equity interest in the company) in the person and the enterprise.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company which is a resident of the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of itself constitute either company a permanent establishment of the other.

### **CHAPTER III**

#### **TAXATION OF INCOME**

##### **Article 6**

##### **INCOME FROM IMMOVABLE PROPERTY**

1. Income derived by a resident of a Contracting State from immovable property (including income from agriculture or forestry) situated in the other Contracting State may be taxed in that other State.

2. For the purposes of this Convention, the term "immovable property" shall have the meaning which it has under the law of the Contracting State in which the property in question is situated. The term shall in any case include property accessory to immovable property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law respecting landed property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral





deposits, sources and other natural resources. Ships and aircraft shall not be regarded as immovable property.

3. The provisions of paragraph 1 shall apply to income derived from the direct use, letting, or use in any other form of immovable property.

4. The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of independent personal services.

#### **Article 7 BUSINESS PROFITS**

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the enterprise carries on business as aforesaid, the profits of the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2. Subject to the provisions of paragraph 3, where an enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the profits which it might be expected to make if it were a distinct and separate enterprise engaged in the same or similar activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

3. In determining the profits of a permanent establishment, there shall be allowed as deductions necessary expenses which are incurred for the purposes of the permanent establishment including executive and general administrative expenses so incurred, whether in the State in which the permanent establishment is situated or elsewhere.

4. Insofar as it has been customary in a Contracting State to determine the profits to be attributed to a permanent establishment on the basis of an apportionment of the total profits of the enterprise to its various parts, nothing in paragraph 2 shall preclude that Contracting State from determining the profits to



be taxed by such an apportionment as may be customary; the method of apportionment adopted shall, however, be such that the result shall be in accordance with the principles contained in this Article.

5. No profits shall be attributed to a permanent establishment by reason of the mere purchase by that permanent establishment of goods or merchandise for the enterprise.

6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

7. Where profits include items of income which are dealt with separately in other Articles of this Convention, then the provisions of those Articles shall not be affected by the provisions of this Article.

#### **Article 8**

#### **SHIPPING AND AIR TRANSPORT**

1. Profits of an enterprise of a Contracting State from the operation of ships or aircraft in international traffic shall be taxable only in that State.

2. The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

#### **Article 9**

#### **ASSOCIATED ENTERPRISES**

1. Where

a) an enterprise of a Contracting State participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State, or

b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State,



and in either case conditions are made or imposed between the two enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly.

2. Where a Contracting State includes in the profits of an enterprise of that State and taxes accordingly profits on which an enterprise of the other Contracting State has been charged to tax in that other State and the profits so included are profits which would have accrued to the enterprise of the first mentioned State if the conditions made between the two enterprises had been those which would have been made between independent enterprises, then that other State shall, if it agrees that the adjustment made by the first mentioned State is justified both in principle and as regard the amount, make an appropriate adjustment to the amount of the tax charged therein on those profits. Any such adjustment shall only be made in accordance with the mutual agreement procedure in Article 24.

#### **Article 10 DIVIDENDS**

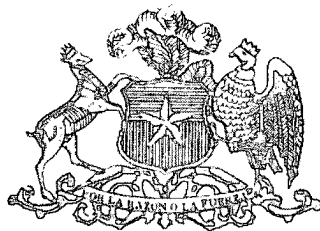
1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. Such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State. However, if the beneficial owner of the dividends is a resident of the other Contracting State, the tax so charged shall not exceed:

a) 5 per cent of the gross amount of the dividends if the beneficial owner is a company that holds directly at least 25 per cent of the capital of the company paying the dividends, and

b) 10 per cent of the gross amount of the dividends, in all other cases.

The provisions of this paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.



The provisions of this paragraph shall not limit the application of the additional tax payable in Chile provided that the first category tax is fully creditable in computing the amount of additional tax.

3. The term "dividends" as used in this Article means income from shares, "jouissance" shares or "jouissance" rights, mining shares, founders' shares or other rights, not being debt claims, participating in profits, as well as income from other rights which is subjected to the same taxation treatment as income from shares by the taxation laws of the State of which the company making the distribution is a resident.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the dividends, being a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

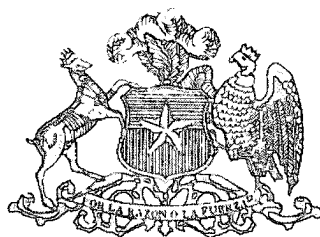
5. Where a company which is a resident of a Contracting State derives profits or income from the other Contracting State, that other State may not impose any tax on the dividends paid by the company, except insofar as such dividends are paid to a resident of that other State or insofar as the holding in respect of which the dividends are paid is effectively connected with a permanent establishment or a fixed base situated in that other State, nor subject the company's undistributed profits to a tax on the company's undistributed profits, even if the dividends paid or the undistributed profits consist wholly or partly of profits or income arising in such other State.

#### **Article 11**

#### **INTEREST**

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but if the beneficial owner



of the interest is a resident of the other Contracting State, the tax so charged shall not exceed:

- a) 5 per cent on the gross amount of the interest derived from:
  - (i) loans granted by banks and insurance companies;
  - (ii) bonds or securities that are regularly and substantially traded on a recognized securities market;
  - (iii) a sale on credit paid by the purchaser of machinery and equipment to a beneficial owner that is the seller of the machinery and equipment.
- b) 15 per cent of the gross amount of the interest in all other cases.

3. The term "interest" as used in this Article means income from debt claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor profits, and in particular, income from government securities and income from bonds or debentures, as well as income which is subjected to the same taxation treatment as income from money lent by the laws of the State in which the income arises. Income from debt-claims that carry a right to participate in the debtor's profits shall be regarded as interest under this Article if the contract by its character clearly evidences a loan at interest. The term interest shall not include income dealt with in Article 10.

4. The provisions of paragraphs 1 and 2 shall not apply if the beneficial owner of the interest, being a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the debt claim in respect of which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Interest shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the interest, whether a resident of a Contracting State or not, has in a Contracting State a permanent



establishment or a fixed base in connection with which the indebtedness on which the interest is paid was incurred, and such interest is borne by such permanent establishment or fixed base, then such interest shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the interest exceeds, for whatever reason, the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

## **Article 12 ROYALTIES**

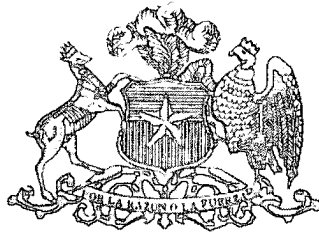
1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such royalties may also be taxed in the Contracting State in which they arise and according to the laws of that State, but if the beneficial owner of the royalties is a resident of the other Contracting State, the tax so charged shall not exceed:

(a) 5 per cent of the gross amount of the royalties for the use of, or the right to use, any industrial, commercial or scientific equipment;

(b) 10 per cent of the gross amount of the royalties, in all other cases.

3. The term "royalties" as used in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work, including software, films, tapes and other means of image or sound reproduction, any patent, trade mark, design or model, plan, secret formula or process or other intangible property, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience.



4. The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the royalties, being a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Royalties shall be deemed to arise in a Contracting State when the payer is a resident of that State. Where, however, the person paying the royalties, whether a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the obligation to pay the royalties was incurred, and such royalties are borne by such permanent establishment or fixed base, then such royalties shall be deemed to arise in the State in which the permanent establishment or fixed base is situated.

6. Where, by reason of a special relationship between the payer and the beneficial owner or between both of them and some other person, the amount of the royalties having regard to the use, right or information for which they are paid, exceeds the amount which would have been agreed upon by the payer and the beneficial owner in the absence of such relationship, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

### **Article 13 CAPITAL GAINS**

1. Gains derived by a resident of a Contracting State from the alienation of immovable property referred to in Article 6 and situated in the other Contracting State may be taxed in that other State.

2. Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property



pertaining to a fixed base available to a resident of a Contracting State in the other Contracting State for the purpose of performing independent personal services, including such gains from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such a fixed base, may be taxed in that other State.

3. Gains derived from the alienation of ships or aircraft operated in international traffic or from movable property pertaining to the operation of such ships or aircraft shall be taxable only in the Contracting State of which the alienator is a resident.

4. Gains derived by a resident of a Contracting State, from the alienation of shares, comparable interests or other rights may be taxed in the other Contracting State if,

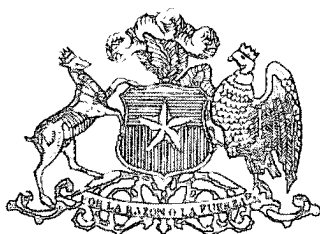
- a) the alienator at any time during the 365 days preceding such alienation owned, directly or indirectly, shares, comparable interests or other rights representing 20 per cent or more of the capital of a company that is a resident of the other Contracting State, or
- b) at any time during the 365 days preceding the alienation, these shares, comparable interests or other rights derived more than 50 per cent of their value, directly or indirectly, from immovable property, as defined in Article 6, situated in that other State.

Any other gains derived by a resident of Contracting State from the alienation of shares, comparable interests or other rights may also be taxed in the other Contracting State but the tax so charged shall not exceed 16 percent of the amount of the gain.

Notwithstanding any other provision of this paragraph, gains derived by a pension fund that is a resident of a Contracting State from the alienation of shares, comparable interests or other rights shall be taxable only in that State.

5. Gains from the alienation of any property other than that referred to in the preceding paragraphs of this Article, shall be taxable only in the Contracting State of which the alienator is a resident.





#### **Article 14**

### **INDEPENDENT PERSONAL SERVICES**

1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that Contracting State. However, such income may also be taxed in the other Contracting State:

a) if he has a fixed base regularly available in the other Contracting State for purpose of performing the activities; in that case, only so much of the income as is attributable to that fixed base may be taxed in that other State; or

b) if he is present in the other Contracting State for a period or periods amounting to or exceeding in the aggregate 183 days in any 12 month period commencing or ending in the fiscal year concerned; in that case, only so much of the income as is derived from the activities performed in that other State may be taxed in that State.

2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.

#### **Article 15**

### **INCOME FROM EMPLOYMENT**

1. Subject to the provisions of Articles 16, 18 and 19, salaries, wages and other remuneration derived by a resident of a Contracting State in respect of an employment shall be taxable only in that State unless the employment is exercised in the other Contracting State. If the employment is so exercised, such remuneration as is derived therefrom may be taxed in that other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall be taxable only in the first mentioned State if:

a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in any twelve month period commencing or ending in the fiscal year concerned, and



b) the remuneration is paid by, or on behalf of, a person being an employer who is not a resident of the other State, and

c) the remuneration is not borne by a permanent establishment or a fixed base that the person has in the other State.

3. Notwithstanding the preceding provisions of this Article, remuneration derived by a resident of a Contracting State in respect of an employment exercised aboard a ship or aircraft operated in international traffic shall be taxable only in that State.

4. Severance payments shall only be taxed in the Contracting State where the person resided during the employment, unless the other Contracting State, where the employment was exercised, had taxing rights in accordance with paragraphs 1 and 2 of Article 15. In this case, any such severance payment shall be allocated on a pro-rated basis to the Contracting State where the employment was exercised during the period for which the severance payment is paid.

#### **Article 16 DIRECTORS' FEES**

Directors' fees and other similar payments derived by a resident of a Contracting State in his capacity as a member of the board of directors or a similar organ of a company which is a resident of the other Contracting State may be taxed in that other State.

#### **Article 17 ARTISTES AND SPORTSMEN**

1. Notwithstanding the provisions of Articles 14 and 15, income derived by a resident of a Contracting State as an entertainer, such as a theatre, motion picture, radio or television artiste, or a musician, or as a sportsman, from his personal activities as such exercised in the other Contracting State, may be taxed in that other State.

2. Notwithstanding the provisions of Articles 7, 14 and 15, where income in respect of personal activities exercised by an entertainer or a sportsman in his capacity as such accrues not to the entertainer or sportsman himself but to



another person, that income may be taxed in the Contracting State in which the activities of the entertainer or sportsman are exercised.

#### **Article 18 PENSIONS**

1. Pensions and other similar remuneration paid to a resident of a Contracting State shall be taxable only in that State.

Other similar remuneration means payments out of a pension fund or pension scheme in which individuals may participate in order to secure retirement benefits, where such fund or scheme is regulated in accordance with the laws of that Contracting State and recognized as such for tax purposes.

2. Alimony and other maintenance payments paid to a resident of a Contracting State shall be taxable only in that State. However, any alimony or other maintenance payments paid by a resident of one of the Contracting States to a resident of the other Contracting State, shall, to the extent it is not allowable as a relief to the payer or excluded from taxpayer's tax base, be taxable only in the first-mentioned State.

#### **Article 19 GOVERNMENT SERVICE**

1. a) Salaries, wages and other remuneration, other than a pension, paid by a Contracting State or a political subdivision or a local authority thereof to an individual in respect of services rendered to that State or subdivision or authority shall be taxable only in that State.

b) However, such salaries, wages and other remuneration shall be taxable only in the other Contracting State if the services are rendered in that State and the individual is a resident of that State who:

- (i) is a national of that State; or
- (ii) did not become a resident of that State solely for the purpose of rendering the services.



2. The provisions of Articles 15, 16 and 17 shall apply to salaries, wages and other remuneration in respect of services rendered in connection with a business carried on by a Contracting State or a political or administrative subdivision or a local authority thereof.

#### **Article 20 STUDENTS**

1. Payments which a student or business apprentice who is, or was immediately before visiting a Contracting State, a resident of the other Contracting State and who is present in the first mentioned State solely for the purpose of his education or training receives for the purpose of his maintenance, education or training shall not be taxed in that State, provided that such payments arise from sources outside that State.

2. The benefits of this Article shall extend only for a period not exceeding six consecutive years from the date of his arrival in the first-mentioned State.

#### **Article 21 OTHER INCOME**

1. Items of income of a resident of a Contracting State, wherever arising, not dealt with in the foregoing Articles of this Convention shall be taxable only in that State.

2. The provisions of paragraph 1 shall not apply to income, other than income from immovable property as defined in paragraph 2 of Article 6, if the recipient of such income, being a resident of a Contracting State, carries on business in the other Contracting State through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed base situated therein, and the right or property in respect of which the income is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14, as the case may be, shall apply.

3. Notwithstanding the provisions of paragraph 1, if such income is derived by a resident of a Contracting State from sources in the other Contracting State,



such income may also be taxed in the State in which it arises and according to the law of that State.

4. Where, by reason of a special relationship between the persons who have carried on activities from which income referred to in paragraph 1 are derived, the payment for such activities exceeds the amount which would have been agreed upon by independent persons, the provisions of paragraph 1 shall apply only to the last mentioned amount. In such a case, the excess part of the payment shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

#### **CHAPTER IV**

#### **METHODS FOR ELIMINATION OF DOUBLE TAXATION**

##### **Article 22**

##### **ELIMINATION OF DOUBLE TAXATION**

1. In the case of Chile, double taxation shall be avoided as follows:

residents in Chile, obtaining income which may, in accordance with the provisions of this Convention be subject to taxation in Italy, may credit the tax so paid against any Chilean tax payable in respect of the same income, subject to the applicable provisions of the law of Chile. This paragraph shall apply to all income referred to in this Convention.

2. In the case of Italy, double taxation shall be avoided as follows:

residents of Italy deriving items of income which, in accordance with the provisions of this Convention, may be taxed in Chile, may include such items of income in the tax base upon which taxes are imposed in Italy, subject to the applicable provisions of the Italian law.

In such a case, Italy shall allow as a deduction from the tax so computed the income taxes paid in Chile but the deduction shall not exceed the proportion of the Italian tax attributable to such items of income that such items bear to the entire income.



No deduction will, however, be allowed in cases where, in accordance with Italian laws the item of income is subjected in Italy to a final withholding tax or to substitute taxation at the same rate as the final withholding tax, whether at the request of the recipient or otherwise.

In the case of a dividend paid by a company which is a resident of Chile to a company which is resident of Italy, the tax creditable, in accordance with and under the conditions set in Article 10 and in accordance with the Italian law, shall be the amount of the additional tax paid in Chile after that the first category tax has been deducted when determining the amount of the additional tax.

3. Where, in accordance with any provision of the Convention, income derived by a resident of a Contracting State is exempt from tax in that State, that State may nevertheless, in calculating the amount of tax on other income, take into account the exempted income.

## **CHAPTER V**

### **SPECIAL PROVISIONS**

#### **Article 23**

#### **NON-DISCRIMINATION**

1. Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected. This provision shall, notwithstanding the provisions of Article 1, also apply to persons who are not residents of one or both of the Contracting States.

2. The taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall not be less favourably levied in that other State than the taxation levied on enterprises of that other State carrying on the same activities.

This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs



and reductions for taxation purposes on account of civil status or family responsibilities that it grants to its own residents.

3. Except where the provisions of Article 9, paragraph 6 of Article 11, paragraph 6 of Article 12, or paragraph 4 of Article 21, apply, interest, royalties and other reimbursements paid by an enterprise of a Contracting State to a resident of the other Contracting State shall, for the purpose of determining the taxable profits of such enterprise, be deductible under the same conditions as if they had been paid to a resident of the first-mentioned State.

4. Companies of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first mentioned State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which other similar companies of the first mentioned State are or may be subjected.

5. In this Article, the term "taxation" means taxes that are subject of this Convention.

#### **Article 24**

#### **MUTUAL AGREEMENT PROCEDURE**

1. Where a person considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with the provisions of this Convention, he may, irrespective of the remedies provided by the domestic law of those States, present his case to the competent authority of the Contracting State of which he is a resident or, if his case comes under paragraph 1 of Article 23, to that of the Contracting State of which he is a national. The case must be presented within three years from the first notification of the action resulting in taxation not in accordance with the provisions of the Convention.

2. The competent authority shall endeavour, if the objection appears to it to be justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by a mutual agreement procedure with the competent authority of the other Contracting State, with a view to the avoidance of taxation which is not in accordance with the Convention.



3. The competent authorities of the Contracting States shall endeavour to resolve by mutual agreement procedure any difficulties or doubts arising as to the interpretation or application of the Convention.

4. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs and may develop appropriate bilateral procedures, conditions and methods for the implementation of the mutual agreement procedure provided for in the preceding paragraphs of this Article.

5. Where:

a) under paragraph 1, a person has presented a case to the competent authority of a Contracting State on the basis that the actions of one or both of the Contracting States have resulted for that person in taxation not in accordance with the provisions of this Convention, and

b) the competent authorities are unable to reach an agreement to resolve that case pursuant to paragraph 2 within two years from the presentation of the case to the competent authority of the other Contracting State,

any unresolved issues arising from the case may be submitted to arbitration if the person so requests and the competent authorities of the Contracting States so agree. These unresolved issues shall not, however, be submitted to arbitration if a decision on these issues has already been rendered by a court or administrative tribunal of either State. Unless a person directly affected by the case does not accept the mutual agreement that implements the arbitration decision, that decision shall be binding on both Contracting States and shall be implemented notwithstanding any time limits in the domestic laws of these States. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this paragraph.

## **Article 25**

### **EXCHANGE OF INFORMATION**

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws





concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. Notwithstanding the foregoing, information received by a Contracting State may be used for other purposes when such information may be used for such other purposes under the laws of both States and the competent authority of the supplying State authorises such use.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:

a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (*ordre public*).

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to



supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

#### **Article 26**

#### **MEMBERS OF DIPLOMATIC MISSIONS AND CONSULAR POSTS**

Nothing in this Convention shall affect the fiscal privileges of members of diplomatic missions or consular posts under the general rules of international law or under the provisions of special agreements.

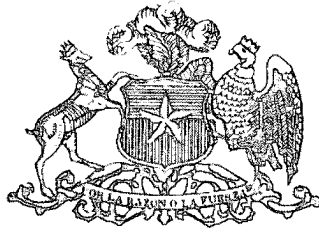
#### **Article 27**

#### **ENTITLEMENT TO BENEFITS**

1. Notwithstanding the other provisions of this Convention, a benefit under this Convention shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Convention.

2. Where an enterprise of a Contracting State derives income from the other Contracting State, and the first-mentioned Contracting State treats that income as attributable to a permanent establishment situated outside of that Contracting State, the tax benefits that otherwise would apply under the other provisions of this Convention shall not apply to that income if:

a) the profits of that permanent establishment are subject to a combined aggregate effective rate of tax in the first-mentioned Contracting State and the state in which the permanent establishment is situated of less than 60 percent of



the general rate of company tax applicable in the first-mentioned Contracting State; or

b) the permanent establishment is situated in a third state that does not have a comprehensive income tax treaty in force with the Contracting State from which the benefits of this Convention are being claimed, unless the first-mentioned Contracting State includes the income attributable to the permanent establishment in its tax base.

Any dividends, interest or royalties to which the provisions of this paragraph apply shall remain taxable in the other Contracting State at a rate that shall not exceed 25 per cent of the gross amount thereof. Any other income to which the provisions of this paragraph apply shall be taxed in accordance with the domestic law of the other Contracting State, notwithstanding any other provision of this Convention. However, if a resident of a Contracting State is denied the benefits of this Convention pursuant to this paragraph, the competent authority of the other Contracting State may, nevertheless, grant the benefits of this Convention with respect to a specific item of income, if such grant of benefits is justified in light of the reasons such resident did not satisfy the requirements of this paragraph.

#### **Article 28 MISCELLANEOUS RULES**

1. In relation to the investment accounts or funds ("collective investment vehicles") established in a Contracting State, which do not meet the definition given in paragraph 1 of Article 4, the provisions of this Convention shall not be interpreted to restrict the imposition of tax, in either of the Contracting States according to its internal law, on the remittances made by such investment accounts or funds, as well as on the income derived from the redemption or alienation of the quotas held by the participants in such investment accounts or funds.

2. For the purposes of paragraph 3 of Article XXII (Consultation) of the General Agreement on Trade in Services, the Contracting States agree that, notwithstanding that paragraph, any dispute between them as to whether a measure falls within the scope of this Convention may be brought before the Council for Trade in Services, as provided by that paragraph, only with the



consent of both Contracting States. Any doubt as to the interpretation of this paragraph shall be resolved under paragraph 3 of Article 24 or, failing agreement under that procedure, pursuant to any other procedure agreed to by both Contracting States.

3. Nothing in this Convention shall affect the application of the existing provisions of the Chilean legislation DL 600 (Foreign Investment Statute) as they are in force at the time of signature of this Convention and as they may be amended from time to time without changing the general principle thereof.

4. Nothing in this Convention shall affect the taxation in Chile of a resident in Italy in respect of profits attributable to a permanent establishment situated in Chile, under both the first category tax and the additional tax but only as long as the first category tax is fully deductible in computing the additional tax.

5. Contributions to a pension scheme established in and recognised for tax purposes in a Contracting State that are made by or on behalf of an individual who renders services in the other Contracting State shall, for the purposes of determining the individual's tax payable and the profits of an enterprise which may be taxed in that State, be treated in that State in the same way and subject to the same conditions and limitations as contributions made to a pension scheme that is recognised for tax purposes in that State, provided that:

a) the individual was not a resident of that State, and was participating in the pension scheme, immediately before beginning to provide services in that State, and

b) the pension scheme is accepted by the competent authority of that State as generally corresponding to a pension scheme recognised as such for tax purposes by that State.

For the purposes of this paragraph:

i) the term "a pension scheme" means an arrangement in which the individual participates in order to secure retirement benefits payable in respect of the services referred to in this paragraph and



- ii) a pension scheme is recognised for tax purposes in a State if the contributions to the scheme would qualify for tax relief in that State.

The benefits granted under this paragraph shall not exceed the benefits that would be allowed by the other State to its residents for contributions to, or benefits otherwise accrued under a pension scheme recognized for tax purposes by that State.

#### **Article 29 REFUNDS**

1. Taxes withheld at the source in a Contracting State shall, at the request of the taxpayer, be refunded to the extent that the right to levy the taxes is limited by the provisions of this Convention.
2. Claims for refund, which shall be made within the time limit fixed by the law of the Contracting State which is obliged to make the refund, shall be accompanied by an official certificate of the Contracting State of which the taxpayer is a resident certifying the existence of the conditions required for being entitled to the benefits provided for by the Convention.
3. The provisions of paragraphs 1 and 2 of this Article shall not be construed to prevent the competent authorities of the Contracting States from establishing other modes of application of the benefits provided for by the Convention.

#### **CHAPTER VI FINAL PROVISIONS**

#### **Article 30 ENTRY INTO FORCE**

1. Each of the Contracting States shall notify the other through diplomatic channels of the completion of the domestic procedures required by law for the bringing into force of this Convention. This Convention shall enter into force on the date of the later of these notifications.



2. The provisions of this Convention shall have effect:

a) in Chile, in respect of taxes on income obtained and amounts paid, credited to an account, put at the disposal or accounted as an expense, on or after the first day of January in the calendar year next following that in which this Convention enters into force; and

b) in Italy,

(i) in respect of taxes withheld at the source, on the amounts derived on or after the first January in the calendar year next following that in which this Convention enters into force;

(ii) in respect of other taxes on income, on the taxes relating to the taxable years on or after the first January of the calendar year next following that in which this Convention enters into force.

#### **Article 31 TERMINATION**

1. This Convention shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Convention, through diplomatic channels, by giving notice of termination at least six months before the end of any calendar year after the period of five years from the date on which the Convention enters into force.

2. In such event, the Convention shall cease to have effect:

a) in Chile,

in respect of taxes on income obtained and amounts paid, credited to an account, put at the disposal or accounted as an expense, on or after the first day of January in the calendar year next following that in which the notice is given; and

b) in Italy,

(i) in respect of taxes withheld at the source, on the amounts derived on or after the first January in the calendar year next following that in which the notice is given;



- (ii) in respect of other taxes on income, on the taxes relating to the taxable years on or after the first January of the calendar year next following that in which the notice is given.

3. With respect to provisions not covered in subparagraphs a) or b) of paragraph 2, this Convention shall cease to have effect on the first day of January of the calendar year next following that in which the notice is given. Requests for information received before the date on which the notice of termination is given shall be dealt with in accordance with the provisions of this Convention. The Contracting States shall remain bound by the confidentiality duties provided for in Article 25 with respect to any information obtained under this Convention.

**IN WITNESS WHEREOF** the signatories, duly authorised to that effect, have signed this Convention.

**DONE** in Santiago, Republic of Chile, this twenty third day of October two thousand and fifteen, in two originals, in the Spanish, Italian and English languages, all texts being equally authentic. In case of any divergence on interpretation, the English text shall prevail.

**FOR THE GOVERNMENT OF THE  
REPUBLIC OF CHILE**

**FOR THE GOVERNMENT OF THE  
ITALIAN REPUBLIC**



**PROTOCOL TO THE CONVENTION BETWEEN THE GOVERNMENT OF  
THE REPUBLIC OF CHILE AND THE GOVERNMENT OF THE ITALIAN  
REPUBLIC FOR THE ELIMINATION OF DOUBLE TAXATION WITH  
RESPECT TO TAXES ON INCOME AND THE PREVENTION OF TAX  
EVASION AND AVOIDANCE**

On signing the Convention between the Government of the Republic of Chile and the Government of the Italian Republic for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance, the signatories have agreed that the following provisions shall form an integral part of the Convention.

1. In general

a) It is understood that if, after the date in which the Convention enters into force, either Contracting State introduces a tax on capital under its domestic law, the Contracting States will enter into negotiations with a view to concluding a Protocol to amend the Convention by extending its scope to include any tax on capital so introduced.

b) When a reference in this Convention is made to specific domestic legislation, such reference shall include any amendments, modifications or substitutions, as communicated between the competent authorities.

c) Considering that the main aim of the Convention is to avoid international double taxation, the Contracting States agree that, in the event the provisions of the Convention are used in such a manner as to provide benefits not contemplated or not intended, the competent authorities of the Contracting States shall, under the mutual agreement procedure of Article 24, recommend specific amendments to be made to the Convention. The Contracting States further agree that any such recommendation will be considered and discussed in an expeditious manner with a view to amending the Convention, where necessary.





2. Article 3

As for the competent authority of Italy in paragraph 1, h), ii) of Article 3 of the Convention, the Revenue Agency and the *Guardia di Finanza* are the authorized representatives of the Ministry of Economy and Finance for the Exchange of Information.

3. Article 4

The term "resident of a Contracting State" includes a regulated pension fund which is established in a Contracting State primarily for the benefit of residents of that State, which shall be treated as the beneficial owner of the income it receives, notwithstanding that all or part of its income or gains may be exempt from tax under the domestic law of that State. For the purposes of this Convention the term "regulated pension fund" means, in the case of Italy a pension fund supervised by the *Commissione di vigilanza sui fondi pensione-COVIP* and in the case of Chile a pension fund supervised by *Superintendencia de Pensiones*.

4. Article 5

For the purposes of computing the time limits in paragraph 3 of Article 5, activities carried on by an enterprise associated with another enterprise within the meaning of Article 9 of this Convention shall be aggregated with the period during which activities are carried on by the enterprise if the activities of the associated enterprises are connected.

With reference to paragraph 6 of Article 5, it is understood that where the commercial or financial conditions made or imposed between the agent and the enterprise differ from those which would be made between independent persons, such agent will not be considered an agent of independent status within the meaning of paragraph 6 of Article 5.

5. Article 7

With reference to Article 7, where an enterprise of a Contracting State which has carried on business in the other Contracting State through a



permanent establishment situated therein, receives, after it has ceased to carry on business as aforesaid, profits attributable to that permanent establishment, such profits may be taxed in that other State in accordance with the principles laid down in Article 7.

6. Article 7

With reference to paragraph 3 of Article 7, the term “expenses which are incurred for the purposes of the permanent establishment” means the expenses directly connected with the activity of the permanent establishment.

7. Article 8

With reference to Article 8, profits from the operation in international traffic of ships or aircraft shall include:

- a) profits derived from the rental on a bare boat basis of ships or aircraft used in international traffic;
- b) profits derived from the use or rental of containers, if such profits are incidental to the other profits from the operation of ships or aircraft in international traffic.

8. Article 10

With reference to Article 10, it is agreed that, in relation to the application of the additional tax under the provisions of the laws of Chile, should:

- (i) the first category tax cease to be fully deductible in determining the amount of additional tax to be paid; or
- (ii) the rate of additional tax imposed with respect to a resident of Italy, as determined under the provisions of Article 4 of this Convention, exceed 35 per cent,



the Contracting States shall consult with each other with a view to amending the Convention in order to re-establish the balance of benefits under the Convention.

9. Articles 11 and 12

It is understood that if an agreement or convention between Chile and a member state of the Organisation for Economic Cooperation and Development enters into force after the date of entry into force of this Convention and provides that Chile shall exempt interest or royalties (both in general and in respect of specific categories of interest or royalties) arising in Chile, or limit the tax applicable by Chile on such interest or royalties (both in general and in respect of specific categories of interest or royalties) to a rate lower than that provided for in paragraph 2 of Article 11 or paragraph 2 of Article 12 of the Convention, such exemption or lower rate shall apply automatically to interest or royalties (both in general and in respect of specific categories of interest or royalties) arising in Chile and beneficially owned by a resident of Italy, as well as to interest or royalties arising in Italy and beneficially owned by a resident of Chile, in the same manner as if such exemption or such lower rate were specified in those paragraphs. The competent authority of Chile shall without delay inform the competent authority of Italy that the conditions for the application of this paragraph have been met.

10. Article 13

Pension funds referred to in Article 13 are those defined for purposes of Article 4 of this Convention.

11. Article 19

With reference to paragraph 1 and 2 of Article 19, remuneration paid to an individual in respect of services rendered to the Central Banks of Italy (Banca d'Italia) and Chile (Banco Central) is covered by the provisions concerning government service.



12. Article 22

With reference to paragraph 2 of Article 22, in case Italy will adopt a domestic legislation which - in addition to or in substitution of the system of dividend exemption existing at the time of the signature of the Convention - grants direct and indirect foreign tax credit, Italy shall allow a deduction of the income tax effectively paid by a company distributing the dividends which relates to the profits out of which such dividends are paid (first category tax).

13. Article 27

a) The conclusion in paragraph 1 of Article 27, "granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Convention", shall be established according to the procedures provided for by the domestic law and administrative practice of each Contracting State.

b) In relation to income under Article 10, the 25 per cent in paragraph 2 of Article 27 shall not apply with respect of such payments from Chile, instead the additional tax payable in Chile shall be applicable, provided that the first category tax is fully creditable in computing the amount of additional tax.

14. Article 29

For purposes of Article 29 paragraph 2, without prejudice to information that may be requested from the taxpayer to ascertain the entitlement to the benefits of the Convention, the official certificate issued by the tax authority for being entitled to a refund, exemption, or application of a reduced tax rate on income provided for in the Convention shall include information as to the identity of the taxpayer, the period for which the taxpayers is a resident of the Contracting State and certify that the resident is liable to tax in that Contracting State (except as provided for in this Protocol under number 3).

**IN WITNESS WHEREOF** the signatories, duly authorised to that effect, have signed this Protocol.



**DONE** in Santiago, Republic of Chile, this twenty third day of October two thousand and fifteen, in two originals in the Spanish, Italian and English languages, all texts being equally authentic. In case of any divergence on interpretation, the English text shall prevail.

**FOR THE GOVERNMENT OF THE  
REPUBLIC OF CHILE**

**FOR THE GOVERNMENT OF THE  
ITALIAN REPUBLIC**