



**AGREEMENT ON EXCHANGE OF INFORMATION ON TAX  
MATTERS  
BETWEEN THE REPUBLIC OF CHILE AND BERMUDA**

The Government of Chile and the Government of Bermuda as authorized by the United Kingdom of Great Britain and Northern Ireland, desiring to facilitate the exchange of information with respect to taxes have agreed as follows:

**Article 1  
Object and scope of the agreement**

The Contracting Parties through their competent authorities shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of the Contracting Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8 (Confidentiality). The rights and safeguards secured to persons by the laws or administrative practice of the Requested Party remain applicable however the Requested Party shall use its best endeavours to ensure that the effective exchange of information is not prevented or delayed.

**Article 2  
Jurisdiction**

A Requested Party is not obligated to provide information which is neither held by its authorities nor in the possession of or in the control of or obtainable by, persons who are within its territorial jurisdiction.



### **Article 3**

#### **Taxes covered**

1. The taxes which are the subject of this Agreement are:
  - (a) in Chile: the taxes included in the *Ley sobre Impuesto a la Renta* (Income Tax Act), the *Ley sobre Impuesto a las Ventas y Servicios* (Value Added Tax Act) and the *Ley sobre Impuesto a las Herencias, Asignaciones y Donaciones* (Inheritances and Gifts Tax Act);
  - (b) In Bermuda: Taxes of every kind and description.
  
2. This Agreement shall also apply to any identical taxes or any substantially similar taxes, imposed after the date of signature of the Agreement in addition to or in place of the existing taxes. Furthermore, the taxes covered may be expanded or modified by mutual agreement of the Contracting Parties in the form of an exchange of letters. The competent authorities of each Contracting Party shall notify the other of any substantial changes to its taxation and related information gathering measures which may affect the obligations of that Contracting Party pursuant to the Agreement.

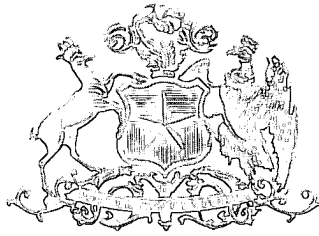
### **Article 4**

#### **Definitions**

1. For the purposes of this Agreement, unless otherwise defined:
  - (a) the expression "Contracting Party" means the Republic of Chile or Bermuda as the context requires;
  - (b) the expression "competent authority" means
    - i) in the case of the Republic of Chile, the Minister of Finance, the Commissioner of the Revenue Service or their authorized representatives, and
    - ii) in the case of Bermuda, the Minister of Finance or his authorized representative.
  - (c) the term "person" includes an individual, a company and any other body of persons;



- (d) the term “company” means any body corporate or any entity that is treated as a body corporate for tax purposes,
- (e) the expression “publicly traded company” means any company whose shares representing a majority of the voting rights and a majority of the value of the company are listed on a recognized stock exchange provided its listed shares can be readily purchased or sold by the public. Shares can be purchased or sold “by the public” if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;
- (f) the expression “recognized stock exchange” means any stock exchange agreed upon by the competent authorities of the Contracting Parties;
- (g) the expression “collective investment fund or scheme” means any pooled investment vehicle, irrespective of legal form. The expression “public collective investment fund or scheme” means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public”. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public” if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;
- (h) the term “tax” means any tax to which the Agreement applies;
- (i) the expression “Requesting Party” means the Contracting Party submitting a request for, or having received information from, the Requested Party;
- (j) the expression “Requested Party” means the Contracting Party which is Requested to provide, or has provided, information;
- (k) the expression “information gathering measures” means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;
- (l) the term “information” means any fact, statement or record in any form whatever;
- (m) the expression “criminal tax matters” means tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the Requesting Party;



- (n) the expression “criminal laws” means all criminal laws designated as such under domestic law irrespective of whether contained in the tax laws, the criminal code or other statutes.

2. As regards the application of this Agreement at any time by a Contracting Party, any term or expression not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that Contracting Party, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term or expression under other laws of that Party.

#### **Article 5**

##### **Exchange of information upon request**

1. The competent authority of the Requested Party shall provide upon request information for the purposes referred to in Article 1 (Object and scope of the agreement). Such information shall be exchanged without regard to whether the conduct being investigated would constitute a crime under the laws of the Requested Party if such conduct occurred in the Requested Party.

2. If the information in the possession of the competent authority of the Requested Party is not sufficient to enable it to comply with the request for information, the Requested Party shall use all relevant information gathering measures to provide the Requesting Party with the information requested, notwithstanding that the Requested Party may not need such information for its own tax purposes.

3. If specifically requested by the competent authority of the Requesting Party, the competent authority of the Requested Party shall provide information under this Article, to the extent allowable under its domestic laws, in the form of depositions of witnesses and authenticated copies of original records.

4. Each Contracting Party shall ensure that its competent authorities have the authority subject to the terms of Article 1 (Object and scope of the agreement) and within the constraints of Article 2 (Jurisdiction) to obtain and provide upon request:

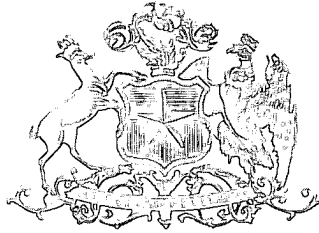


- (a) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees.
- (b) information regarding the ownership of companies, partnerships, trusts, foundations and other persons, including ownership information on all such persons in an ownership chain;
- (c) in the case of trusts, information on settlors, protectors, trustees as well as other legally involved parties and beneficiaries and;
- (d) in the case of foundations, information on founders, members of the foundation council and beneficiaries.

5. Notwithstanding the preceding paragraph, this Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.

6. The competent authority of the Requesting Party shall provide the following written information to the competent authority of the Requested Party when making a request for information under the Agreement to demonstrate the foreseeable relevance of the information to the request:

- (a) the identity of the person under examination or investigation;
- (b) a statement of the information sought including its nature and form in which the Requesting Party wishes to receive the information from the Requested Party;
- (c) the tax purpose for which the information is sought;
- (d) grounds for believing that the information requested is held in the Requested Party or is in the possession of, or control of or obtainable by, a person within the jurisdiction of the Requested Party;
- (e) to the extent known, the name and address of any person believed to be in possession of or able to obtain the requested information;
- (f) a statement that the request is in conformity with the law and administrative practices of the Requesting Party, that if the requested information was within the jurisdiction of the Requesting Party then the competent authority of the Requesting Party would be able to



obtain the information under the laws of the Requesting Party or in the normal course of administrative practice and that it is in conformity with this Agreement;

- (g) a statement that the Requesting Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.
- (h) the reasons for believing that the information requested is foreseeably relevant for the purposes referred to in Article 1 (Object and scope of the agreement) and;
- (i) the period for which the information is requested

7. The competent authority of the Requested Party shall use its best endeavors to forward the requested information to the Requesting Party with the least possible delay. To ensure a prompt response, the competent authority of the Requested Party shall:

- (a) Confirm receipt of a request in writing to the competent authority of the Requesting Party and shall notify the competent authority of the Requesting Party of deficiencies in the request, if any, within 60 days of the receipt of the request and;
- (b) If the competent authority of the Requested Party has been unable to obtain and provide the information within 90 days of receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the Requesting Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

#### **Article 6** **Tax examinations abroad**

1. Representatives of the competent authority of a Contracting Party may enter the territory of the other Contracting Party, to the extent permitted under that other Contracting Party's domestic laws and may, subject to the previous written agreement of the person concerned, interview individuals and examine records. The competent authority of the first-mentioned Party shall give



reasonable notice of the time and place of the meeting or examination to the competent authority of the other Party.

2. At the request of the competent authority of one Contracting Party, the competent authority of the other Contracting Party may allow representatives of the competent authority of the first-mentioned Party that have entered the territory of the other Party in accordance with that other Contracting Party's domestic laws, to be present at the appropriate part of a tax examination in the second-mentioned Party always with the written consent of the persons subject to the examination (unless no such consent is required under internal rules of that second-mentioned Party).

3. If the request referred to in paragraph 2 is acceded to, the competent authority of the Contracting Party conducting the examination shall, as soon as possible, notify the competent authority of the other Contracting Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the first-mentioned Party for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the Contracting Party conducting the examination.

4. For the purposes of this Article the expression "domestic laws" refers to laws or instruments governing entry into, or exit from, the territories of the Parties.

#### **Article 7**

#### **Possibility of Declining a Request**

1. The competent authority of the Requested Party may decline to assist:
  - (a) where the request is not made in conformity with this Agreement;
  - (b) where the Requesting Party has not pursued all means available in its own territory to obtain the information, except where recourse to such means would give rise to disproportionate difficulties; or
  - (c) where the disclosure of the information requested would be contrary to the public policy (Ordre Public) of the Requested Party.



2. This Agreement shall not impose on a Contracting Party the obligation to provide items subject to legal privilege or which would disclose any trade, business, industrial, commercial or professional secret or trade process, provided that information of the type referred to in paragraph 4 of Article 5 (Exchange of Information Upon Request) shall not by reason of that fact alone be treated as such a secret or trade process.

3. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.

4. The Requested Party shall not be required to obtain and provide information which, if the requested information was within the jurisdiction of the Requesting Party, the competent authority of the Requesting Party would not be able to obtain under its own laws or in the normal course of administrative practice.

5. The Requested Party may decline a request for information if the information is requested by the Requesting Party to administer or enforce a provision of the tax law of the Requesting Party, or any requirement connected therewith, which discriminates against a national of the Requested Party as compared with a national of the Requesting Party in the same circumstances.

#### **Article 8 Confidentiality**

1. Any information received by a Contracting Party under this Agreement shall be treated as confidential.

2. The information may be disclosed only to persons or authorities (including courts and administrative bodies) in the jurisdiction of the Contracting Party concerned with the determination, assessment or collection of, the recovery and enforcement, the investigation or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.





3. The information may not be disclosed to any other person or entity or authority or any other jurisdiction without the express written consent of the competent authority of the Requested Party.

### **Article 9 Costs**

1. Unless otherwise agreed by the competent authorities of the Contracting Parties, ordinary costs incurred in providing assistance shall be borne by the Requested Party, and extraordinary costs incurred shall be borne by the Requesting Party.

2. Extraordinary costs will not be incurred without the prior consent of the Requesting Party.

### **Article 10 Implementation Legislation**

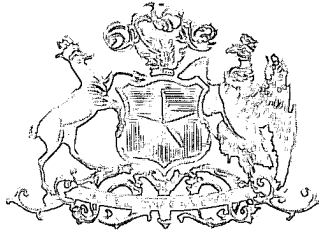
The Contracting Parties shall enact any legislation necessary to comply with, and give effect to, the terms of the Agreement.

### **Article 11 Mutual Agreement Procedure**

1. Where difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of the Agreement, the competent authorities shall endeavour to resolve the matter by mutual agreement.

2. In addition to the agreements referred to in paragraph 1, the competent authorities of the Contracting Parties may mutually agree on the procedures to be used under Articles 5 (Exchange of information upon request), 6 (Tax examination abroad), 8 (Confidentiality) and 9 (Costs)

3. The Contracting Parties may also agree on other forms of dispute resolution should this become necessary.



## **Article 12**

### **Restrictive Measures**

Bermuda shall be excluded from the list established by Supreme Decree No. 628 of the Ministry of Finance (*Decreto Supremo N° 628 del Ministerio de Hacienda*), dated 24 July 2003 according to the provisions of Article 41 D of Chile's Income Tax Act. The removal of Bermuda from the aforesaid list shall have effect as of the date that this Agreement comes into force.

## **Article 13**

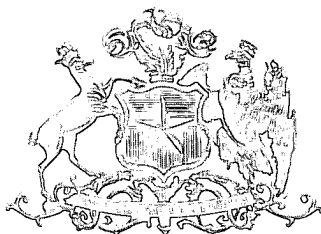
### **Entry into Force**

1. The Contracting Parties shall notify each other in writing that their procedures required by law for the entry into force of this Agreement have been complied with.
2. The Agreement shall enter into force on the date of the later of the notifications referred to in paragraph 1.
3. Upon entry into force the provisions of this Agreement shall have effect on that date, but only in respect of any taxable periods beginning on or after that date or, where there are no taxable periods, all charges to tax arising on or after that date. In the case of Chile, if the information is covered by Article 1 of DFL No. 707 and Article 154 of DFL No. 3 of Chile, it shall be available with respect to bank transactions occurring on or after January 1, 2010.

## **Article 14**

### **Termination**

1. This Agreement shall continue in effect indefinitely but either Contracting Party may, on or before the thirtieth day of June in any calendar year give to the other Contracting Party a notice of termination in writing through the diplomatic channel.
2. The provisions of this Agreement shall cease to have effect on or after the first day of January in the calendar year next following that in which the notice



of termination is given. All requests received up to the effective date of termination will be dealt with in accordance with the terms of this Agreement.

3. If the Agreement is terminated the Contracting Parties shall remain bound by the provisions of Article 8 (Confidentiality) with respect to any information obtained under the Agreement.

In witness whereof, the undersigned, being duly authorised thereto, have signed the Agreement.

**DONE** in duplicate, in Santiago, Chile, 24, JUNE, 2016, and in Hamilton, Bermuda, on 21, JULY, 2016, in the Spanish and English languages, both texts being equally authentic.

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

**FOR THE GOVERNMENT OF  
BERMUDA**

