

AGREED MINUTES

The fourth round of negotiations on the Agreement between the Government of the People's Republic of China and the Government of the Republic of Chile for the Elimination of Double Taxation and the Prevention of Tax Evasion and Avoidance with respect to Taxes on income took place in Beijing, China, from April 16th to 21th, 2015.

The Chinese delegation was headed by Mr. Liao Taizhong, Director General of the International Taxation Department of the State Administration of Taxation (SAT), while the Chilean delegation was headed by Ms. Liselott Kana, Head of international Taxation of Internal Revenue Service. A list of names of the members of the delegations is attached as Annex I.

The negotiations were conducted in a friendly and cordial atmosphere of mutual understanding, resulting in an agreement on all issues. A copy of the initialed text of the Agreement is attached as Annex II.

During the negotiations the Chilean delegation explained its domestic law, which is attached as Annex III.

During the negotiations the delegations explained their different ways of taxation on indirect transfer of shares or other rights. In the case of Chile, the term "representing the capital of a company" in Article 13 of the Agreement, includes indirect ownership in Articles 10 and 58 No. 3 of the Income Tax Act. In the case of China, Article 47 of the Enterprise Income Tax Law applies.

With regard to "pension fund" in Number 4 of the Protocol, it is Chile's tax treaty policy to include pension funds as beneficiaries of the tax treaty. It is China's tax treaty policy, up to the time when the Agreement is negotiated, that usually "pension fund" is not included in the treaty as a resident to be entitled to the treaty benefits. If such policy in China changes, the competent authorities shall consult.

Done in duplicate in Beijing on April 21, 2015.

**For the Delegation of
The People's Republic of China**

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Director General
International Taxation Department
State Administration of Taxation, China

**For the Delegation of
The Republic of Chile**

Ms. Liselott Kana
Head of International Taxation
Internal Revenue Service
Chile