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THE SIGNATURE OF THE COMMISSIONER OF
THE SII.**

**ESTABLISHES THE METHOD FOR
SUBMITTING ADVANCE PRICING
ARRANGEMENT REQUESTS, ARTICLE 41 E
No. 7 OF THE INCOME TAX LAW AND AMENDS
SII EXEMPT RESOLUTION No. 68 OF 2013.**

SANTIAGO, 28TH NOVEMBER 2022.-

SII EXEMPT RESOLUTION No. 114.-

WHEREAS:

The provisions of Articles 6, letter A) No. 1, and 60 of the Tax Code, contained in Article 1 of Decree-Law No. 830 of 1974; the provisions established in Articles 1, 4 bis, and 7 of the Servicio de Impuestos Internos Organic Law, contained in Article 1 of D.F.L No. 7 of 1980 of the Ministry of Finance; the provisions outlined in Article 41 E of the Income Tax Law, contained in Article 1 of D.L No. 824 of 1974; and the instructions provided in SII Exempt Resolution No. 68 of 2013.

CONSIDERING:

1st That the SII is responsible for the application and audit of all internal taxes currently established or that may be established, whether fiscal or of any other nature in which the tax authorities have an interest and whose control is not specifically assigned by Law to a different authority.

2nd That in order to properly safeguard fiscal interests, Article 6, letter A), No. 1 of the Tax Code expressly empowers the Director of the Servicio de Impuestos Internos (Chilean tax authority - SII) to administratively interpret tax provisions, establish rules, impart instructions, and issue orders for the application and audit of taxes.

3rd That Article 41 E of the Income Tax Law grants the Servicio de Impuestos Internos the authority to challenge the prices, values, or returns set, or to establish them if none have been set, when cross-border transactions and those involving business reorganisations or restructurings carried out by taxpayers domiciled, resident, or established in Chile with related parties abroad have not been conducted at arm's length prices, values, or returns.

4th That section 1 of numeral 7 of Article 41 E of the Income Tax Law establishes the possibility for taxpayers engaged in transactions with

related parties to propose an Advance Pricing Arrangement (hereinafter also referred to as APA) to the SII, through which the arm's length price, value, or return for transactions to be carried out with its related parties abroad is determined. This procedure was regulated by SII Exempt Resolution No. 68 of 2013.

5th That in order to facilitate tax compliance and efficiency in processing these requests, the SII will provide taxpayers with an electronic system through which they can submit their APA requests and other related procedures, such as requesting extensions, renewals, or terminations. This application will replace the written submissions or notices mentioned in SII Exempt Resolution No. 68 of 2013.

IT IS RESOLVED:

1st **REPLACE** the first resolved of SII Exempt Resolution No. 68 of 2013, with the following:

"Taxpayers engaged in transactions with related parties abroad, for the purposes outlined in Article 41 E No. 7 of the Income Tax Law, must submit a request containing a description of the respective transactions, their arm's length prices, values, or returns, and the period that the respective advance pricing arrangement should cover. Additionally, the taxpayer must expressly indicate in the request whether they authorise the SII to publish the criteria, economic, financial, and commercial reasons, among others, and the methods that will serve as a basis for a potential agreement. Said request must be submitted through the electronic system that the Servicio de Impuestos Internos will provide for such purpose.

The submission must be signed with an advanced electronic or handwritten signature by the individual authorised to represent the taxpayer for such actions before the Servicio de Impuestos Internos. It must be accompanied by the foundational documentation or information mentioned in this resolution and a transfer pricing report or study applying the transfer pricing methods outlined by Chilean law to such transactions. Additionally, in such request, the interested party must explicitly state that the related parties involved in such transactions are aware of and accept its terms and consequences for the effects of Chilean law.

To submit the request, the taxpayer must access the website www.sii.cl, through the Online Services menu, selecting the option Income and other requests/Advance Pricing Arrangements (APA), enter their RUT (Tax Identification Number), and authenticate themselves using their clave tributaria, clave única or any other authentication mechanisms that may be implemented in the future. Additionally, the user must request prior enrolment to access the system and attach the necessary information to resolve the request.

In response, the SII will send specific information regarding the environment for submission, as well as the corresponding Instruction Manual.

2nd This resolution will apply to requests concerning advance pricing arrangements submitted from the date of its publication in the Official Gazette.

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