GENERAL INSTRUCTIONS SII N°39 OF APRIL 30, OF 2025, MODIFIED BY GENERAL INSTRUCTIONS N°60, OF OCTOBER 15, 2025.
DATE:
SUBJECT: Issues instructions on the amendments introduced by Law No. 21,713 to the Sales and Services Tax Law regarding Value Added Tax applied to sales of tangible movable goods located abroad.
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Chilean Tax Administration

I. INTRODUCTION

Article 3 of the Law No. 21,713 (hereinafter, the "Law") introduces several amendments to the Sales and Services Tax Law (hereinafter, "VAT Law")[1].

Among these amendments, a new article 3° bis is introduced to the VAT Law and articles 4° and 12, letter B, of the same law were modified, all of which regulate the taxation with Value Added Tax (VAT) of sales of tangible movable goods located abroad which, by provision of the Law, are now deemed for tax purposes to be located within national territory.

In accordance with the above, it is essential to provide the corresponding instructions.

II. INSTRUCTIONS ON THE MATTER

1. GENERAL CONSIDERATIONS

Law No. 21,210[2] introduced amendments to the VAT Law and other statutory laws with the purpose of regulating the taxation and administration of VAT applicable to B2C service providers[3] not domiciled or resident in Chile that provide services used in the national territory.

This law modified some VAT provisions by taxing B2C services provided remotely by taxpayers not domiciled or resident in Chile and used within the national territory[4] and incorporated a simplified taxation regime exclusively applicable to taxpayers without domicile or residence in Chile.

Furthermore, ongoing with these reforms, the Law modified the VAT treatment on sales of tangible movable goods located abroad, focusing on two main areas:

a) The first refers to the tax treatment of international B2C remote sales of low-value goods (section 3 of these General Instructions).

   Indeed, according to the provisions of numbers 1° and 3° of article 2° and article 4° of the VAT Law, sales of goods located in the national territory are taxed with VAT.

   In turn, letter a) of article 8° of the VAT Law imposes VAT on imports, regardless whether they are recurrent. This taxable event that remains in effect and must be distinguished from the "remote sales" describe in the new final paragraph of article 4° of the VAT Law (as explained in section 3 of these General Instructions).

   The amendments introduced by the Law modify the territorial scope applicable to sales, providing that tangible movable goods located abroad, acquired remotely, from a person not domiciled or resident in Chile, by a person who is not a seller or service provider, will also be considered to be located in national territory, when the goods are destined for national territory, even before their shipment from abroad, provided that their price, including any accessory charge charged in the same transaction, does not exceed USD 500 or its equivalent in national currency (low-value goods).

   To make this tax treatment consistent, a new VAT exemption on imports is established, benefiting buyers of low-value goods, avoiding double taxation of direct sellers or intermediary platforms registered under the simplified taxation regime in international B2C transactions involving such goods (section 4 of these General Instructions). A customs duties exemption is also introduced under the same terms.

b) The second approach is aimed at optimizing the VAT collection process and facilitating tax compliance in B2C transactions by incorporating intermediation platforms as a new VAT

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[1] Contained in Decree Law No. 825 of 1974.
[2] Whose instructions were issued by General Instructions No. 42 of 2020.
[3] "Business to Consumer" or "Business to Customer" is an English term used to describe the sale of products or the provision of services to end consumers via the internet. (Oxford Dictionary of Marketing)
[4] See instructions in General Instructions No. 12 of 2025.

taxpayer (section 2 of these General Instructions) and establishing with respect to them the "full VAT liability regime"[5] as designated internationally, with respect to the underlying transactions concluded through them or by their intermediation.

Then, primarily articles 4° and 12, letter B, of the VAT Law were modified and a new article 3° bis was incorporated to the VAT Law.

2. THE OPERATOR OF A DIGITAL INTERMEDIATION PLATFORM AS THE SELLER OR PROVIDER OF THE TRANSACTION IT INTERMEDIATE (NEW ARTICLE 3° BIS OF THE VAT LAW)

2.1. Definitions and general characteristics of the system established by the new article 3° bis.

According to the new article 3° bis of VAT Law [6] the operator of a digital intermediation platform is deemed by Law as the liable VAT taxpayer, as if he were a frequent seller of the goods or provider of the service concluded through the digital platform he operates, on condition that the underlying transaction is levied with VAT.

Likewise, this article defines "digital intermediation platform"[7] as the interface that, through the Internet, allows or facilitates third parties to conclude sales or services and as "operator"[8] to natural or legal persons or other entities, national or foreign, with or without domicile or residence in Chile, that operate or exploit economically a digital intermediation platform.

On the other hand, based on article 3° bis and other regulations, in order for the platform operator to be considered as the seller or provider of the service and, therefore, become responsible for charging, withholding, declaring and paying VAT on the underlying operation concluded through his platform, all of the following requirements must be met:

a) Be a natural or legal person or other entity, with or without domicile or residence in Chile, that economically exploits a digital platform that allows or facilitates third-party sellers or service providers, other than said operator, the conclusion of their sales or services (or underlying operation, addressed in section 2.3.; the provisions of this letter a) are addressed in section 2.2.).

b) That the underlying transaction, which is concluded through the platform, is effectively taxed with VAT (the assumptions of the taxable event being met[9]; see section 2.3.).

c) That none of the parties involved in the underlying transaction (i.e., seller/buyer, as well as provider/beneficiary of the service) are VAT taxpayers (in the manner explained in section 2.4.).

2.2. New liable taxpayer

2.2.1. Scope

As previously stated, the first paragraph of article 3° bis of the VAT law deems the "operator of a digital intermediation platform" to be the liable VAT taxpayer, considering him the seller of the goods or provider of the service concluded through the digital platform he operates, provided that it is an operation effectively taxed with VAT (see section 2.3.).

Furthermore, according to the text of the first paragraph of article 3° bis, the platform operator is deemed as the liable taxpayer as if he were a "frequent" seller of the good.

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[5] See section 3A.4.3 of the Digital VAT Toolkit for Latin America and the Caribbean (OECD, World Bank and CIAT, 2021).
[6] Introduced by article 3, No. 2 of the Act.
[7] Third paragraph of article 3° bis of the VAT Law
[8] Third paragraph of article 3° bis of the VAT Law.
[9] Sales are deemed as "frequent", in accordance with the provisions of article 4 of the VAT Regulations as explained in section 2.3. See articles 4 and 5 of the VAT Law.

Therefore, provided the transaction is levied with VAT[10], it complies with the territorial scope established in the final paragraph of article 4° of the VAT Law, it will be subject to VAT even if it is a one-time transaction by the underlying seller (see section 3.6.1.).

According to the above, the platform operator is deemed as the liable VAT taxpayer, by the law, as well as responsible for charging, withholding, declaring and paying VAT for the underlying taxable transaction carried out through his platform.

It should be noted that the platform operator is deemed as the liable taxpayer only for the purposes of the VAT Law. In particular, his obligation is limited to charging, withholding, filing and paying VAT due on the intermediated transaction.

Thus, the platform operator -even if domiciled or resident in Chile- will not be required to issue tax documents for the sale of assets located abroad, nor declare them as his own operations on tax form F29.

Finally, for the platform operator, the VAT withheld as a result of article 3° bis is a withholding tax. This tax must be declared and paid in full to the Treasury, without any compensation, deduction or adjustment. However, adjustments may be made for duly justified reversals and chargebacks (disputes) as determined by the SII through a directive.

2.2.2. Address or residence of the operator of the digital intermediation platform

Under the VAT Law, it is irrelevant whether the platform operator is domiciled or resident in Chile or abroad. In both cases, the operator is deemed as the liable VAT taxpayer for the underlying transaction, pursuant to article 3° bis.

However, the domicile or residence of the platform operator, in accordance with the final paragraph of article 3° bis, becomes important when defining the mechanism for declaring and paying the VAT involved in the underlying transaction:

a) Platform operators without domicile or residence in Chile: shall be subject to the provisions of Paragraph 7° bis of Title II of the LIVS (simplified taxation regime) and shall file VAT charged on the underlying transactions through the declaration (monthly or quarterly) made on the digital VAT Form (F129) in accordance with the rules of the simplified taxation regime.

b) Platform operators domiciled or resident in Chile are also deemed as the liable taxpayers for VAT on underlying transaction but will pay taxes in accordance with the general rules, through the monthly tax returns Form 29 (F29).

2.3. Underlying transaction taxed with VAT

The full VAT liability regime of article 3° bis of the VAT Law does not apply to underlying transactions that are not taxed or exempt from VAT.

The aforementioned article applies to all platform operators, whether the underlying transaction is a sale or a service, in accordance with the terms of article 2° of the VAT Law, or a transaction deemed as a sale or service, in accordance with the provisions of article 8° of the VAT Law.

Instructions on services provided by taxpayers not domiciled or resident in Chile and used in Chile are contained in General Instructions No. 42 of 2020, modified by General Instructions No. 12 of 2025. These instructions will be fully applicable to operators who meet the requirements and for VAT purposes, are deemed as the providers of the respective underlying services.

[10] In accordance with N°1) of article 2° of the VAT Law.

The instructions on the tax regime applicable to the remote sale of tangible movable goods located abroad and destined for the national territory are contained in this General Instructions (see section 3 and following).

2.4. VAT status of the parties of the underlying transaction

According to the second paragraph of article 3° bis of the VAT Law, the intermediation platform will not be considered a liable VAT taxpayer when the underlying service is provided or the good is sold by or to a VAT taxpayer.

The following explains the meaning of "VAT taxpayer" only for the purposes of applying article 3° bis of the VAT Law.

2.4.1. Services provided or goods sold by a VAT taxpayer

2.4.1.1. Service provider or seller domiciled or resident in Chile

According to article 3° of the VAT Law, and for the purposes of this law, taxpayers are natural or legal persons, including communities and *de facto* companies, who sell, provide services, or carry out any other transaction subject to VAT.

Therefore, for the purposes of the aforementioned article 3° bis, persons or entities domiciled or resident in Chile who sell, provide services or carry out any other transaction subject to VAT are considered VAT taxpayers, and should therefore have obtained a RUT (Tax Identification Number), completed commencement of business activities and complied with additional tax obligations, both basic and accessory, in accordance with the general rules.

Thus, the operator will not be liable for VAT on the underlying transaction when the seller or the underlying service provider is a person domiciled or resident in Chile, since in both cases, the seller or the service provider, respectively, are VAT taxpayers, which will hinder the application of article 3° bis.

Without prejudice to the foregoing, despite not being liable for the tax, the operator must comply with the obligation established in the second paragraph of article 35 I of the VAT Law, which requires delivering, in the manner established by a directive, information on the identification of Chilean sellers or service providers with respect to which they act as intermediaries and the amounts paid or made available to said sellers or providers.

It is the responsibility of the seller or service providers to inform the respective operator of their VAT status, in accordance with the preceding paragraphs. If the seller or service provider fails to comply with this obligation, the platform operator will be responsible for charging VAT on the underlying transaction.

2.4.1.2. Service provider or seller domiciled or resident abroad

Individuals or entities without domicile or residence in Chile that sell goods, provide services, or carry out any other transaction subject to VAT, will only be considered VAT taxpayers in Chile, for the purposes of the second paragraph of article 3° bis, when they have commenced business activities in Chile and fulfilled their tax obligations in accordance with national legislation; that is, when they have formalized their business activities in Chile.

Thus, as a general rule, when the seller or service provider does not have a domicile or residence in Chile, the platform operator will always be responsible for VAT on the underlying transaction, provided that the respective seller or service provider is not a formal VAT taxpayer in Chile, i.e. that they have commenced business operations and complied with all their tax obligations in our country.

Thus, even if the seller or provider domiciled or resident abroad has registered for the simplified taxation regime, the platform operator— whether domiciled or resident in Chile or abroad—will be responsible for paying the tax on the underlying transaction carried out through it.

The seller or service provider is required to inform the respective operator of their status as a VAT taxpayer that has commenced business activities in Chile, in accordance with the preceding paragraphs. If the seller or service provider fails to comply with this obligation, the platform operator will be responsible for charging VAT for the underlying transaction.

2.4.2. Services provided or goods sold to a VAT taxpayer

2.4.2.1. Beneficiary of the service or buyer domiciled or resident in Chile

Pursuant to the provisions of the second paragraph of article 3° bis, when the purchaser of the goods or beneficiary of the service provided through the platform is a VAT taxpayer in Chile, the platform operator will not be considered a taxpayer for the underlying transaction.

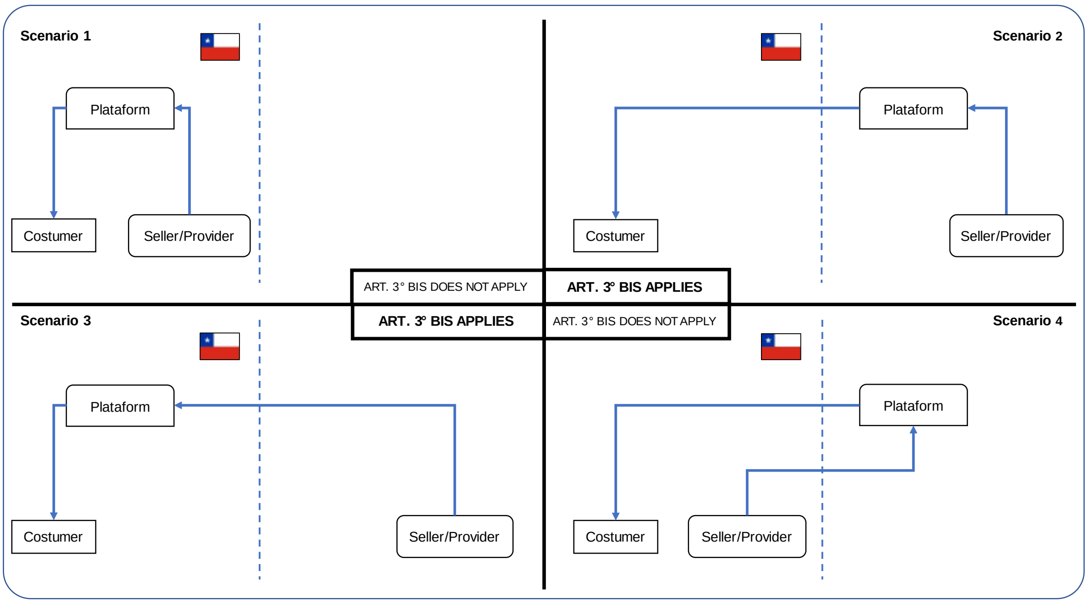
Then, the buyer or beneficiary (see section 3.5.) is required to inform the respective operator their status as VAT taxpayer in Chile. If the buyer or beneficiary fails to comply with this obligation, the platform operator will be responsible for charging VAT for the underlying transaction.

2.4.2.2. Beneficiary of services or buyer domiciled or resident abroad

The operator will generally not be responsible for charging VAT in this case, as the transaction is not subject to VAT in Chile, when neither the seller or service provider nor the buyer or service beneficiary has domicile or residence in Chile.

On the other hand, if the seller or service provider has domicile or residence in Chile, he will be responsible for paying the tax.

The above is summarized in the following comparative table:



NOTES:

1. As can be seen, in inset 1 and 4, where the seller/service provider is a taxpayer with domicile/residence in Chile, said taxpayer is always subject to VAT and responsible for it, regardless of where the intermediation platform is located. In these insets, even though the transaction may be performed through a platform, the tax obligations fall entirely on the seller or service provider, over whom this tax administration will exercise all its audit attributions, including requests for information or reporting to the respective intermediation platforms regarding sellers or providers domiciled or residing in Chile.

2. In insets 2 and 3, the operator is responsible for paying VAT on the underlying transaction, even though the sellers or service providers may be registered under the simplified taxation regime established in Paragraph 7 bis of the VAT Law.

2.5. Cases in which article 3° bis of the VAT Law does not apply

The VAT Law establishes different situations under which the special regime of article 3° bis does not apply:

a) Underlying transactions that are not taxed or exempt from VAT, as indicated on the final part of the first paragraph of article 3° bis (see section 2.3 above).

b) Platform operators that only provide advertising or payment processing services are excluded, as stated in the final section of the third paragraph of article 3° bis. Payment processing is understood as offering suitable system to collect payment from the customer's payment method, without requiring the operator to be involved in every step of the payment process.

c) When the underlying service is provided or the good is sold by or to a VAT taxpayer, according to the second paragraph of article 3° bis (see section 2.4 above).

2.6. Multiple platforms

Typically, the transactions covered in section 2[11], involve only one digital intermediary platform, through which the goods are traded, or the respective service is provided. In such cases, the operator will generally be responsible for the VAT on the underlying transaction, even if it is not involved in the processing or authorization of the payment.

However, depending on the specific characteristics of certain types of activity, it may happen that more than one digital intermediation platform is involved in the same transaction under the terms indicated in the previous sections[12]. When this occurs, the fourth paragraph of article 3° bis considers only the platform that authorizes or processes payment for the taxable transaction.

For these purposes, "authorizing" a payment refers to the platform operator influencing or determining the conditions under which the charge is made to the customer's payment method. "Processing" a payment, on the other hand, implies execute, through a suitable system, the collection of payment from the customer's payment method. This concept does not imply that the platform operator must be involved in every single step of the payment process. The operational criteria for "authorizing" or "processing" the payment will be established through a directive, depending on the circumstances and business models.

3. NEW SYSTEM APPLICABLE TO THE REMOTE SALE OF GOODS LOCATED ABROAD (AMENDMENTS TO ARTICLE 4° OF THE VAT LAW)

3.1. Context of the amendments

Prior to the amendments to the VAT Law, goods located abroad generally did not comply with the territorial scope established in article 4° of the VAT Law. Consequently, the sale of goods located abroad was not subject to VAT, even if they were destined for Chile.

However, the importation of said merchandise, whether recurrent or not, was subject to VAT by application of letter a) of article 8° of the VAT Law, although exempt from said tax in accordance with the provisions of No. 11 of letter B of article 12 of the same Law to the extent that it complied with the conditions provided for in item 00.23 of the Customs Tariff Act, applicable to parcels, postal shipments, express delivery shipments, general cargo, occasional, non- commercial cargo, up to a value (FOB[13]) of USD 41.

[11] Sales and services concluded through digital intermediation platforms.
[12] This could be the case, for example, where a local digital intermediation platform redirects a request to its international counterpart, each operated by different operators, due to a lack of stock or other operational circumstances, with the transaction ultimately being carried out through more than one digital platform.
[13] FOB (Free on Board) is a term used in international trade to indicate the value of exported goods before they are loaded on board of the means of transport in the country of origin. FOB value only includes the cost of the goods and excludes transportation, insurance, or other additional costs. Definition according to General Instructions No. 12 of 2025.

In order to simplify VAT collection, the Law establishes a simplified mechanism for taxing international sales of low-value goods (valued under USD 500) located abroad, made to a final consumer (B2C) and destined for the national territory.

The rules of this new system are – in general terms – the following:

a) VAT collection on B2C international shipments of low-value goods is modified, with this type of transaction now being taxed as a "sale." In order to fulfill the territorial scope of VAT, a new territorial criterion is added.

b) When VAT is not collected at the point of sale on international shipments, it is still charged at the time of importation. Subsequently, if the obligations that fall on the seller of low-value goods from abroad are not met, the National Customs Service will pursue the collection of VAT levied on the import of the respective goods upon entry into the country, according to the general rules.

c) To avoid double taxation with VAT, imports will be exempt from VAT provided VAT was actually collected from the buyer at the point of sale of the respective good.

d) Finally, as will be seen in section 4, the VAT exemption in article 12, Letter B, No. 11 of the VAT Law (currently USD 41) no longer applies to imports that are taxed according to letter a) above.

3.2. New territorial criterion applicable to “remote sales”

The new final paragraph[14] of article 4° of the VAT Law deems tangible movable goods located abroad, acquired remotely from a person not domiciled or resident in Chile, by a person who is not a local seller or service provider, as located in national territory when the goods are destined for the national territory, even before their shipment or dispatch from abroad, provided that the price, including any accessory charge that is charged in the same transaction, does not exceed USD 500 or its equivalent in national currency.

For the purposes of this General Instructions and for the sake of simplicity, the sales referred to in the final paragraph of article 4° will be called "remote sales" and to “remote seller” whoever carries them out.

3.3. Location and destination of the goods

The remote sale of tangible movable goods located abroad is taxed when destined for the national territory.

Determining whether goods are destined for the national territory depends on the parties' agreement. In e-commerce, this circumstance is typically expressed through the "shipping address," "delivery address," or another similar term provided by the buyer for this purpose.

3.4. Limit of USD 500

The regulation requires that the price of the goods (including all ancillary charges such as, among others, shipping costs to Chile) charged in the same transaction must not exceed USD 500 or its equivalent in local currency.

The USD 500 limit will be applied by considering the total value—including all goods or services and related expenses such as shipping, insurance, or additional packaging associated with the respective good or item—charged to the buyer for each individual good or item, considered individually, regardless of whether they are identical or not.

It should be noted that, for the purposes of the stated limit, discounts applied to the respective good or item by the remote seller or platform operator will be considered, as long as they

[14] Incorporated by No. 3 of article 3° of the Law.

correspond to a lower amount charged in the transaction. Meanwhile, any gifts that these taxpayers may include in their remote sales will not be considered for the purposes of calculating the aforementioned limit.

If the total value of the individual good or article, as indicated in the preceding paragraphs, exceeds the limit of USD 500, said goods will be subject to VAT upon importation, in accordance with the general procedure established in letter a) of article 8° of the VAT Law, even if they were acquired by a final consumer; that is, by a natural or legal person who is not a local VAT taxpayer.

Finally, the exchange rate published by the Central Bank on the date the tax is accrued[15] must be used to determine the exchange rate between the foreign currency and the national currency; that is, on the date in which VAT was charged to the cardholder's payment method.

3.5. Obligation of the buyer to notify VAT taxpayer status

To apply the mechanism analyzed, the law requires the goods to be purchased by a final consumer, that is, a natural or legal person who is not a local VAT taxpayer. If the purchaser is a VAT taxpayer, VAT will still be applied to the goods, but they will be taxed in accordance with the general procedure applicable to imports pursuant to letter a) of article 8° of the VAT Law.

It should be noted that VAT taxpayers domiciled or residing in Chile are required to have obtained a Tax Identification Number (RUT) (if applicable), informed business commencement, and complied with all other tax obligations, in accordance with the general rules.

It is the sole responsibility of the buyer or purchaser to inform the seller or platform operator of their VAT status at the time of the remote purchase. Once this has been done, they are liable to declare and pay VAT on the import when the foreign goods are legally introduced for use or consumption in the country. This information also releases the remote seller or operator from any liability on the declaration and payment of VAT.

If the purchaser is a VAT taxpayer and does not report this status, the seller or platform operator will be required to charge VAT on the sale, withhold it, declare it, and pay it into the tax authorities. Consequently, VAT will not be applied to the import[16]. Therefore, the VAT charged in this transaction will not qualify as input VAT, as it will not meet the requirements of articles 23 and 25 of the VAT Law[17].

On the contrary, if the purchaser is not a local VAT taxpayer, but reports having such status, the remote seller or the respective platform operator will not charge tax on the sale, and VAT will be levied on the import by the National Customs Service under the general procedure for imports[18], but without any possibility of using the exemption of No. 11 of letter B of article 12 of the VAT Law [19].

It should be noted that the remote seller or platform operator is not responsible for erroneous information provided by the buyer, who will not be required to verify the VAT taxpayer status reported by their domestic client. They will also be required to periodically send to the tax administration, as established by a SII directive, the list of taxpayers for whom VAT has not been charged and withheld based on the information received[20].

[15] See section 3.6.3.
[16] See section 4.3.
[17] Article 25 of the VAT Law provides that "to claim input VAT, the taxpayer must prove that the tax has been charged on the respective invoices or paid according to the tax receipts in the case of imports, and that these documents have been recorded in the special ledgers specified in article 59. In the case of taxes credited with an invoice, these may only be deducted if they have been charged separately on the invoices." In this case, there would be no invoices, nor would it be possible to prove payment of the tax on the respective receipts.
[18] Applying the tax base established in letter a) of article 16 of the VAT Law.
[19] See section 4.2.
[20] See section 3.5.

3.6. Final considerations

The legal definition of "sale" contained in article 2°, No. 1, of the VAT Law defines it as any agreement, regardless of the name given by the parties, that serves the purpose of transferring ownership of tangible movable goods for consideration, as well as any act or contract that leads to the same purpose or that the VAT Law deems as a sale. According to the provisions of this section, sales of tangible movable goods located outside the national territory made for consideration and by a seller without a domicile or residence in Chile that meet the legal requirements, will be taxed as "remote sales" and will be exempt from VAT on imports[21].

Thus, whenever the remote seller or the operator of the respective digital intermediation platform does not have a domicile or residence in Chile, VAT will be collected through the simplified taxation regime of Paragraph 7° bis of the VAT Law[22].

Notwithstanding the foregoing, the taxable event presents certain characteristics when it comes to goods located abroad and sellers neither domiciled nor resident in Chile, which must be clarified.

Indeed, article 35 H of the VAT Law provides that the simplified taxation regime shall not be subject to the provisions of Paragraph 3 of Title IV, nor to the other provisions of said law, to the extent that they are not compatible with the simplified nature of said regime.

3.6.1. Frequency in direct sales

According to article 2, No. 3, of the VAT Law a "seller" is any natural or legal person, including communities and *de facto* companies, who frequently engages in the sale of tangible movable goods, whether produced by themselves or acquired from third parties.

As specified in section 2.2.1 of this general instruction, the law deems sale of tangible movable goods made through a digital intermediation platform operator as frequent. If the transactions are carried out directly by the seller (without any operator facilitating the sale), frequency is determined according to the general VAT rules[23].

Thus, in accordance with the general VAT rules applicable to sellers, unless proven otherwise[24], frequency is deemed for all transfers made by a seller within their line of business[25].

Consequently, remote sellers who directly market their products to consumers through e-commerce websites or other means will be deemed frequent sellers.

3.6.2. Liable taxpayer

According to article 35 A of the VAT Law, taxpayers not domiciled or resident in Chile who provide services or sell to persons domiciled or resident in the country who are not taxpayers of the taxes established in the VAT Law will be subject to the simplified taxation regime. Consequently, the taxpayer (that is, the person liable for filing and paying VAT) will be the service provider or the remote seller of the goods[26].

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[21] See section 4.3.
[22] See section 6.
[23] Article 4 of the VAT Regulations, contained in Decree No. 55 of 1977 of the Ministry of Finance, provides that in order to qualify the frequency referred to in No. 3 of article 2 of the VAT Law, the tax administration shall consider the nature, quantity, and frequency with which the seller sells the tangible personal property or real estate in question and, based on this information, shall determine whether the taxpayer's intention was to acquire the property for personal use, consumption, or resale. According to the third paragraph of said regulation, frequency is presumed for all transfers and withdrawals made by a seller within their line of business.
[24] See section 2 of article 4 of the VAT Regulations.
[25] See section 3 of article 4 of the VAT Regulations.
[26] For these purposes, a seller is considered to be a taxpayer without domicile or residence in Chile provided: (i) facilitates persons who are not VAT taxpayers to obtain goods or products from foreign businesses without domicile or residence in Chile, acting as personal buyers or providing a postal address for the delivery of the good or product in the relevant jurisdiction, and forwarding the goods or products to the national territory

Now, according to article 3° bis of the VAT Law, the platform operator is liable for VAT as if he were a frequent seller of the goods or the service provider of the transactions concluded through his digital intermediation platform[27].

Consequently, the operator is exclusively liable for VAT and will be deemed by the law as the seller or service provider for VAT purposes in remote sales made by or through a digital intermediation platform, provided that legal requirements are met.

3.6.3. Tax accrual

Article 35 D provides, where applicable, that taxpayers subject to the simplified taxation regime of Paragraph 7° bis of Title II of the VAT Law must add VAT to consideration for remote sales. VAT will be calculated by applying the VAT rate established in article 14 to said consideration.

The second paragraph of the aforementioned article adds that the VAT payable by taxpayers of the simplified taxation regime will be calculated based on the sum of taxes "added pursuant to the first paragraph" on remote sales made in the respective tax period[28].

Based on the above, tax is accrued when the price is received or made available to the seller in any way. Given the way international e-commerce operates, in practice and generally, this circumstance will materialize when the price is charged to the payment card with provision of funds, debit card, credit card, or any other similar payment system employed by the buyer.

3.6.4. Tax base and rate

Unless stated otherwise, according to article 15 of the VAT Law, for VAT purposes, the tax base of sales is the value of the respective transaction.

In accordance with the above, the new territoriality criterion of the final paragraph of article 4° of the VAT Law, under which the sale of tangible movable goods located abroad is taxed in Chile, requires that the price of said goods, including any accessory charges levied in the same transaction, must not exceed USD 500 or its equivalent in local currency.

Following a consistent interpretation of these legal provisions, it can be determined that the value of the transaction in the sale of goods located abroad, for the purposes of the VAT tax base, includes any accessory expenses or fees charged to the buyer in the transaction. Therefore, among other items that the direct seller or the digital intermediation platform operator may charge, the tax base includes the cost of transportation, insurance, etc.

The tax rate will be as established in article 14 of the VAT Law.

4. MECHANISM TO AVOID DOUBLE TAXATION (AMENDMENTS TO LETTER B OF ARTICLE 12 OF THE VAT LAW)

4.1. Context of the amendments

Prior to the amendments to the VAT Law, the remote sale of goods located abroad generally did not comply with the territoriality criterion established in article 4° of the VAT Law. Consequently, such transactions were not subject to VAT, even if they were destined for national territory.

Furthermore, in this same context, when said good legally entered the country, the import was subject to VAT as established in article 8°, letter a) of the VAT Law. Notwithstanding the foregoing, said import may have benefited from the VAT exemption of article 12, letter B, No. 11 of the VAT law.

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and/or (ii) a company that sells to purchasers who are not VAT taxpayers in Chile goods or products by catalog, without investment of inventory and at retail without having the product sold on the date of sale.

[27] See section 2.2 of this General Instructions: “New liable taxpayer”.

[28] For these purposes, "tax period" is the period of one or three consecutive months, elected by the taxpayer to declare and pay VAT accrued during the said tax period, until the 20th day of the first following month (article 35 E).

It should be noted that after the amendments introduced by the Law, this general regime will continue to apply, but only when the new territoriality criterion established in the final paragraph of article 4° of the VAT Law is not met, or when VAT has not been duly collected from the purchaser.

Given that, under the recent amendments, VAT on international remote sales of low-value goods will be declared and paid by the remote seller or by the platform operator through the simplified taxation regime, it is crucial to establish rules that prevent these goods from being taxed again when they are imported.

4.2. VAT exemption established in No. 11 of letter B of article 12 of the VAT Law

No. 11 of letter B of article 12 of the VAT Law exempts from VAT imports that constitute cultural or sporting prizes or trophies, of non-commercial nature, and those that meet the conditions set forth in item 00.23 of the Customs Tariff Act[29].

However, the Law modified[30] this VAT exemption restricting it only to those imports that are not subject to VAT as a remote sale by application of the final paragraph of article 4° of the VAT Law; therefore, the exemption only applies to the extent that the new territoriality criterion is not met.

Then, from the entry into force of the amendments, the VAT exemption will only apply to the import of tangible movable goods that are not taxed with VAT as a remote sale in accordance with the new territoriality criterion established in the final paragraph of article 4° of the VAT law, that is, when the goods have been acquired by a local VAT taxpayer in Chile or when the goods do not have "low value".

Indeed, if goods that meet the new territoriality criterion are sold, their import will not benefit from this exemption, but rather the exemption specified in the following section 4.3. Consequently, the import of low-value goods purchased by non-VAT taxpayers in Chile will not be exempt from VAT by applying the exemption analyzed in this section 4.2.

On the other hand, if VAT corresponding to the remote sale of the good has not been effectively charged [31], either by the remote seller or by the platform operator, the said good will be taxed with VAT upon importation, and will not benefit from the VAT exemption of No. 11 of letter B of article 12 of the VAT Law, which will only apply to those imports of goods that cannot be taxed with VAT as a remote sale in accordance with the final paragraph of article 4° of the VAT Law.

4.3. VAT exemption established in the new No. 18 of letter B of article 12 of VAT Law[32]

The Law introduced a new No 18, which exempts from VAT imports made by persons who are not sellers or service providers, or those who make the purchase on their behalf, in the case of the final paragraph of article 4° of the VAT Law, provided that it is proven that VAT was actually collected by the remote seller or digital intermediation platform, as established by the General Commissioner of the tax administration and the General Commissioner of the National Customs Service through a joint directive.

Likewise, goods imported in accordance with this provision shall also be exempt from customs duties.

Considering the above, the import of goods located abroad, subject to VAT as a remote sale under the new territoriality criterion established in the final paragraph of article 4° of the VAT Law, will be exempt from VAT. when they enter the country. This means that the final consumer of these goods will only pay VAT once, thus avoiding double taxation.

[29] The interpretation and application of Customs Tariff Act item 00.23 falls exclusively on the National Customs Service.
[30] Letter a) of No. 6 of article 3 of the Law.
[31] This could happen if a non-VAT-paying purchaser falsely notifies the seller or operator of a digital intermediation platform that he is a VAT taxpayer.
[32] No. 18 was introduced by letter b) of No. 6 of article 3 of Law 21,713.

Now, the application of the exemption requires that VAT applied at the time of the sale of the good located abroad has been effectively collected by the remote seller or digital intermediation platform, proven in accordance with the instructions issued through the joint directive for these purposes by the National Customs Service and the tax administration.

If the sale of goods located abroad was subject to VAT because it was mistakenly qualified as a remote sale[33], VAT will not apply again upon import. If this occurs, the seller or the digital intermediation platform operator will not be able to offset or obtain a refund from the tax administration.

Finally, if VAT applied to the international sale of the low-value good has not been correctly charged to the buyer, the import of said good will not be released from VAT exemption and will have to pay VAT and customs duties upon its entry.

5. INTERACTION BETWEEN VAT ON REMOTE SALES AND VAT ON IMPORTS

As mentioned earlier, it is important to distinguish between remote sales made to a final consumer (B2C) and those made to a local VAT taxpayer (B2B[34]).

Likewise, it will be necessary to differentiate, in certain cases, between the tax treatment applicable to "low-value" goods (not exceeding USD 500) and "high-value" goods (more than USD 500).

According to the rules enacted by the Law, and explained in this General Instructions, goods located abroad transferred for consideration by a seller, and destined for the national territory, will always be taxed with VAT, applied as a remote sale or as an import.

Considering the complexity of these new rules, their practical application will be analyzed with some examples illustrated below.

5.1. Sale of goods located abroad acquired by VAT taxpayers in Chile (B2B)

The sale of goods located abroad to a VAT taxpayer in Chile (B2B model) will never meet the VAT territoriality criterion[35], regardless of the value of the said goods.

Therefore, the obligation to pay VAT will only arise when the merchandise legally enters the country through importation, which is specifically taxed in letter a) of article 8° of the VAT Law. Consequently, VAT paid on imports will entitle the importer to input VAT, provided that the requirements of article 23 of the VAT Law are met.

A buyer domiciled or residing in Chile must inform the remote seller or the operator of the digital intermediation platform his VAT taxpayer status, so VAT is not charged at the point of sale.

However, if the buyer fails to inform his VAT taxpayer status, the remote seller or the operator of the digital intermediation platform will have to charge VAT at the point of sale, and the goods will enter the country without VAT being applied on importation. Consequently, VAT charged at the point of sale due to the lack of information, will not give right to input VAT, as it does not meet the requirements established in articles 23 and 25 of the VAT Law[36].

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[33] As could happen if the buyer, a VAT taxpayer, does not inform the remote seller or operator of the digital intermediation platform of his status as such.
[34] “Business to Business” is an English term used to describe the sale of products or provision of services by a company to other businesses rather than to final consumers (Oxford Dictionary of Marketing).
[35] See section 3 of this General Instruction: New System Applicable to the Sale of Assets Located Abroad (Modifications to article 4° of the VAT Law).
[36] See sections 3.5 and 4.3.

5.2. Sale of high-value goods located abroad acquired by non-VAT taxpayers in Chile (B2C)

The provisions of the final paragraph of article 4° of the VAT Law do not apply to the remote sale of goods located abroad whose value exceeds USD 500, made to a person or to an entity that does not have the status of a local VAT taxpayer in Chile[37].

Just like in the previous case, the obligation to pay VAT will only arise when the merchandise legally enters the country through importation, a situation that is specifically taxed on letter a) of article 8° of the VAT Law.

It should be noted that buyers domiciled or residing in Chile do not need to inform the seller or the digital intermediation platform operator, as they are not VAT payers.

Now, if the buyer mistakenly informs the seller or the operator of the digital intermediation platform that he has the status of local VAT taxpayer, the respective seller or operator will not charge VAT on the sale and when the goods enter the country they will be taxed with VAT as an import, without the possibility of using the exemption of No. 11 of letter B of article 12 of VAT Law [38].

5.3. Sale of low-value goods located abroad acquired by non-VAT taxpayers in Chile (B2C)

The remote sale of goods located abroad to a person or entity that is not a VAT taxpayer in Chile, with a value not exceeding USD 500, will comply with the VAT territoriality criterion [39] established in the final paragraph of article 4° of the VAT Law. Therefore, in this case, a remote sale will occur under the terms of article 2°, paragraph 1 of the VAT Law.

Consequently, the obligation will arise for the seller of the goods or the digital intermediation platform operator, to charge VAT to the buyer, declare it and pay it to the Treasury through the simplified taxation regime of Paragraph 7° bis of the VAT Law, as established by the tax administration through a directive.

However, if the respective operator has a domicile or residence in Chile, the aforementioned simplified taxation regime will not apply, but VAT will have to be paid through its F29 on a monthly basis, in accordance with the general regulations for local VAT taxpayers.

In turn the importation of said goods will be exempt from VAT and customs duties, by application of No. 18 of letter B of article 12 of the VAT Law[40].

If the buyer incorrectly informs a VAT taxpayer status, the seller or the digital intermediation platform operator will not charge VAT on the remote sale and the goods will enter the country, having to be taxed with VAT upon import, without the possibility of using the exemption of No. 11 of letter B of article 12 of the VAT Law[41].

6. APPLICATION OF GENERAL INSTRUCTIONS NO. 42 OF 2020 REGARDING REMOTE SALE OF GOODS LOCATED ABROAD

General Instructions No. 42 of 2020 provided guidelines on taxation with VAT of services provided by taxpayers domiciled or resident abroad, pursuant to the amendments to the VAT Law introduced by Law No. 21.210, and on the simplified taxation regime applicable to such non-resident VAT taxpayers.

Despite that these instructions focused on regulating VAT applied to digital services used in our Chile and provided by taxpayers without residency or domiciled in Chile, the same rules will apply to remote sales of goods located abroad destined for the national territory.

[37] See section 3.
[38] See section 3.5 and 4.2.
[39] See section 3.
[40] See section 4.3.
[41] See section 3.5 and 4.2.

In this context, the guidelines of General Instructions No. 42 of 2020 applicable only to the operations contemplated in this General Instructions are repeated in the following section.

6.1. Simplified taxation regime for taxpayers not domiciled or resident in Chile

The simplified taxation regime established in Paragraph 7° bis of the VAT Law [42] is also applicable to the remote sale of goods located abroad that meet the territoriality criterion established in the final paragraph of article 4° of the VAT Law[43].

However, it should be noted that in this type of transaction, VAT accrued on the remote sale of goods located abroad will be paid by the seller or platform through the simplified taxation regime if they are not resident in Chile or through the F29 if the platform is resident in Chile.

If the above does not occur, either because the territoriality criterion of the final paragraph of article 4° of the VAT Law has not been met, or because the tax has not been charged and collected by the seller or digital intermediation platform operator, VAT will be collected when the respective good is imported in accordance with letter a) of article 8° of the VAT Law, being the importer liable for VAT.

It should be noted that if the seller or digital intermediation platform operator with domicile or residence abroad does not register under the simplified taxation regime of Paragraph 7° bis of the VAT Law, the tax administration will be authorized to apply VAT withholding established in the final paragraph of article 3° of the VAT Law.

The registration procedure and the authority granted to the general commissioner under article 35 B, which permits full or partial exemption of taxpayers under the simplified taxation regime from certain tax obligations or the substitution of those obligations with others, will be established – similarly to the process followed for digital services – through a directive issued specifically for this purpose, without prejudice to the applicable exclusions[44].

When the territoriality criterion of the final paragraph of article 4° of the VAT Law is met and VAT must be charged to by the seller or the digital intermediation platform operator, to the buyer, the VAT tax base will be the total value of the goods, including any additional charges[45].

Similarly, taxpayers under the simplified taxation regime must charge VAT to the purchasers of their goods in accordance with article 10 of the VAT Law, declare it, and pay it to the tax authorities at the end of the respective tax period. This provision will only apply when the aforementioned territoriality criterion[46] is met.

Finally, regarding the calculation, declaration and payment of VAT [47], the adjustments that could be made in the respective sales[48] and the special control rules[49], the same rules established in General Instructions No. 42 of 2020 will apply, insofar as they are not incompatible with the nature of the operations of these General Instructions.

III. EFFECTIVE DATE

Pursuant to article 1, of the Third Transitory Article of the Law, the amendments analyzed will take effect twelve months after the publication of this law on the Official Gazette; that is, on October 25, 2025.

[42] See instructions applicable to services in section 3 of General Instructions No. 42 of 2020 and in section 4 of General Instructions No. 12 of 2025.
[43] See section 3.
[44] See section 3.1.2 of General Instructions No. 42 of 2020.
[45] See section 3.4.
[46] See section 3.
[47] See section 3.1.4 of General Instructions No. 42 of 2020.
[48] See section 3.1.5 of General Instructions No. 42 of 2020.
[49] See section 3.2 of General Instructions No. 42 of 2020.

Thus, and in accordance with the accrual rule analyzed in section 3.6.3 of this General Instructions, VAT that levies sale of goods located abroad that meet the territoriality criterion of the final paragraph of article 4° of the VAT Law, must be charged to the buyer in B2C sales of "low value" goods concluded as of October 25, 2025. This is without prejudice to the tax period in which VAT must be declared and paid in accordance with the simplified taxation regime of Paragraph 7° bis of the VAT Law, in the case of taxpayers subject to the said regime.

However, taxpayers not domiciled or resident in Chile may begin the process to enroll in the simplified taxation regime established in Paragraph 7° bis of Title II of the VAT Law, even before the Law comes into force, in accordance with directives.