

# HOW IS IT DONE?

## VAT DECLARATION FOR DIGITAL SERVICES



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### What is this procedure?

It is a tax return and payment of Value Added Tax (VAT) for the provision of remote digital services in Chile, by taxpayers who do not have domicile or residence in Chile.

2

### Who should carry out this procedure?

Foreign taxpayers without residence or domicile in Chile, who provide remunerated remote services to be used by natural or legal persons.

3

### When this procedure must be done?

The procedure must be carried out the first twenty days of the month following the tax period to file.

4

### Where this procedure must be done?

The procedure must be done online, through the Digital Services VAT Portal (sii.cl)

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### Requirements to carry out the procedure:

- Complete the Registration Form
- SII password
- SII User Number
- Company email
- Be a foreigner without domicile or residence in Chile.



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### Forms related to the procedure

Form 129 for VAT on Digital Services

## Step-by-step description of the Internet procedure

See pages 3 to 13



## 1. What is this procedure?

This procedure allows the declaration and payment of VAT from a taxpayer domiciled or resident abroad to the Chilean Internal Revenue Service (SII), regarding remote services provided exclusively to natural or legal persons in Chile.

## 2. Who should carry out this procedure?

Taxpayers without domicile or residence in Chile, who provide remotely taxed services that are acquired in Chilean territory by natural or legal persons. The tax is declared on Form 129, which is exclusive for this procedure.

## 3. When this procedure must be done?

The term to file and pay this Declaration is during the first twenty days of the month following the period to declare. The periods can be monthly or quarterly (three consecutive months), depending on the taxpayer's choice when completing the Registration Form.

For example, a taxpayer who chooses monthly periods and who provides remote services during March of a given year, has a term to declare and pay the associated tax from the first to the twentieth day of April of the same year.

On the other hand, a taxpayer who chooses a period of three consecutive months and who provides remote services during the months of January, February and March of a given year, has a term to declare and pay the associated tax from the first to the twentieth day of April of the same year.

Taxpayers can send the declaration after the twentieth day of the month following the tax period to be declared -using the same Portal- but this declaration will be subject to fines and interest.

## 4. Where this procedure must be done?

This Declaration must be made through the Digital Services VAT Portal, available on the Chilean Internal Revenue Service (SII)'s web site (sii.cl), which can be accessed from the "Accesos directos" (Direct accesses) section. Once on the site, you must select the option "Submit Tax Return" and complete Form 129 with the required information. After declaring the tax, the data is displayed for payment.



## 5. Requirements to carry out the procedure

### STEP 1: Initial requirements

- Be a foreigner without domicile or residence in Chile.
- Provide remote services to Chile

### STEP 2: Identification before the SII through the Internet

- Enter the SII website (sii.cl) and access the Digital Services VAT Portal through the “Accesos Directos” (Direct Accesses) section
- Complete the Registration Form
- Enter a valid email address in the Registration Form, to which a verification code will be sent.
- Enter the verification code, where a User Number will be assigned. This number is unique and identifies the Taxpayer before the SII.
- Create Password (this password is unique and non-transferable)

**Note: please remember that to obtain a User Number and create a Password, it is necessary to complete the Registration Form on the site.**

## 6. Forms related to the procedure

The taxpayer must complete the Registration Form to obtain a User Number and Password, these allow you to navigate the site and declare your taxes.



## 7. Registration before the SII: Step-by-step description to complete initial information registration and obtain user number and password.

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### Information Registration Form

- Enter the Digital Services VAT Portal
- Select the option "Registration Form"
- Complete the form with the required information that is displayed in 4 sections:

**STEP 1.- Registration information:** In this section, information is requested regarding the company / organization that performs the registration.

**Registration Form**

Step 1 – Registration information

Fill the following information of your Company/organization to registration on the Digital Taxes' portal.

* Full legal name of the organization	
<input type="text"/>	
Trade name of the organization <a href="#">?</a>	
<input type="text"/>	
* Headquarters address <a href="#">?</a>	
<input type="text"/>	
* City	* State or province
<input type="text"/>	<input type="text"/>
* Country	* Postcode or zipcode
<input type="text"/>	<input type="text"/>
* Website URL	
<input type="text" value="www.example.com"/>	



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**STEP 2.- Tax information:** This section requests information related to tax issues of the company / organization, as well as contact information for communication purposes with the SII.

#### Registration Form



#### Step 2 - Tax Information

Please fill the following tax information:

\*Country of residence for tax purposes

\*Tax identification number [?](#)

\*Main business activity

- Intermediation of services/sales made in Chile or abroad provided that the latter give rise to an import.
- Provision/delivery of digital entertainment contents, through download, streaming, or another technology.
- Provision of software, storage, platforms or computing infrastructure.
- Advertising, regardless of the via through which it is delivered, materialized or executed

\*Full name of the contact person [?](#)

\*Position on the company

\*Contact phone number

\*Email address [?](#)

\*Confirm email address

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**STEP 3.- Registration detail:** In this section you must choose the frequency and currency with which tax returns and tax payments will be made.

### Registration Form

#### Step 3 – Registration detail

Please fill the information for the portal's registration

**IMPORTANT:** you cannot change the registration information after submitting this application.

Registration Date

19/05/2020

\* When your Company started operations in Chile?

DD/MM/YYYY

\* How often will you file your VAT Return?

- Monthly
- Every three months

\* Payment currency

- USD
- EUR
- CLP

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**NOTE:** It is important to note that the periodicity selection and the payment currency cannot be modified once the Registration Form has been sent. If you want to modify them, you must send an email to [IVASD.Chile@sii.cl](mailto:IVASD.Chile@sii.cl).



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**STEP 4.- Chilean contact information:** You must enter information from two other different contacts than those in the Tax Information section.

#### Registration Form

Etapas sin validar

#### Step 4 - Chilean contact information

Next, please enter contact information for 2 persons who work in your organization, in case we cannot communicate with the priority contact

##### First contact person

* Name <input type="text"/>	* Surname <input type="text"/>
* Position on the company <input type="text"/>	* Contact phone number <input type="text"/>
* Contact email address <input type="text" value="ejemplo@correo.com ingles"/>	* Confirm email address <input type="text" value="ejemplo@correo.com ingles"/>

##### Second contact person

* Name <input type="text"/>	* Surname <input type="text"/>
* Position on the company <input type="text"/>	* Contact phone number <input type="text"/>
* Contact email address <input type="text" value="ejemplo@correo.com ingles"/>	* Confirm email address <input type="text" value="ejemplo@correo.com ingles"/>



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**STEP 5.- Statement:** Finally, both a statement on the validity of the information provided and on accepting that the notifications will be validly made by email is displayed. These must be read carefully and accepted.

- Read the Statement and check the box
- Select “Send”

**Registration Form**

Step 5 - Statement

Hereby I state the following:

(1) I agree that all the notifications shall duly be notified through an e-mail sent to the address filed on this registration, as with all other due communication. Additionally, I must keep updated the e-mail information, with time enough to receive in due time notifications and communications by the Servicio de Impuestos Internos.

(2) I acknowledge that the tax returns are under the Chilean legislation.

(3) The information filled on the tax returns is true, thereby I assume all the responsibility for its fidelity.

He leído y estoy de acuerdo con la declaración y el aviso de privacidad para efectos de esta solicitud de registro. ingles

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SEND



2

**Quién puede realizar la solicitud:**

- Foreign taxpayers without residence or domicile in Chile who provide services to natural or legal persons in the national territory.

To complete the registration application, it is important:

- ✓ Have a valid email address for communication purposes with the SII
- ✓ Select the frequency with which tax returns and tax payment will be made. These cannot be modified once the request is sent
- ✓ Select the currency of payment with which the transfer corresponding to the declared tax will be made. This cannot be modified once the request is sent.







3

### Email verification

Once the Registration Form has been sent, the taxpayer will receive an email to the email box reported in Step 2, Tax Information. The email will contain a Verification Code.

Please insert verification code:

VERIFY

- ✓ Enter the verification code received in the email on the same navigation screen of the Portal, or by entering the "Enter verification code" option on the authentication screen.

**Note:** By entering the verification code, the email will be understood as validated, and a User Number will be assigned automatically. This number will be sent to the same email as a backup in case of forgetting.





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### Password creation

Enter a password in the required fields

#### **STEP 1:** Complete the requested fields

When entering the verification code that validates your email, four fields will appear that you must complete to create your password

- Password
- Password confirmation
- Secret question
- Secret answer

**Note:** The Secret answer is case sensitive.

#### **STEP 2: Create password**

By clicking on "Create password", you will be authenticated on the site. Additionally, an email will be sent to you with the User Number assigned to you, in case of forgetting.

User Number	<b>600054</b>
* Password	<input type="text"/>
* Password confirmation	<input type="text"/>
* Secret question	<input type="text"/>
* Answer	<input type="text"/>



## 8. Step-by-step to Declare and Pay VAT for Digital Services

1	<p><b><u>Authentication</u></b></p> <ul style="list-style-type: none"><li>• Enter to the Digital Services VAT Portal and select an option in the Login section.</li><li>• Identify with User Number and Password.</li></ul>
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2	<p><b><u>Complete and send Form 129</u></b></p> <ul style="list-style-type: none"><li>• Select "Submit Tax Return".</li><li>• Select the month or quarter to file (Tax Period).</li><li>• Enter the required fields, which are:<ul style="list-style-type: none"><li>○ Amount of transactions made to natural or legal persons during the month or quarter to be declared</li><li>○ Total amount without Tax (Tax Base on which the tax is calculated)</li><li>○ Total amount of rebates for the period, if applicable</li><li>○ Remnant, if applicable</li></ul></li></ul> <p><b>Note:</b> The Value Added Tax of 19% will be automatically calculated from the tax base. The filing date will be recorded.</p> <ul style="list-style-type: none"><li>• Review and select Submit Tax Return</li></ul>
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### Outstanding Debts

System will apply a fine or debt in the following situations:

- ✓ By not sending a tax return on the corresponding date
- ✓ When sending a tax return after the established deadline
- ✓ When making a payment less than the filed declared information
- ✓ By not paying the declared information

If there is outstanding debt, this information will be automatically displayed on the same Form 129, to include it in the amount to be paid.



4

### Tax payment through Swift Transfer (foreign currency)

Once the Tax Return has been sent, it will remain in force and the necessary data to pay the tax through a Swift Transfer will be displayed:

- Total amount to pay
- Data of the destination Bank
- Beneficiary data
- Information to enter in code 70 and 71-A

**Note:** If the information of code 70 and 71-A is not added in the Swift Transfer, the payment of the Declaration cannot be correctly identified and it would be registered as debt.

- ✓ Accept payment and send to email

The data for the payment will be sent to the entered email. By default the main contact email will be displayed in the "Tax Information" section of the Registration Form.

- ✓ Make the Swift transfer





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### Tax Return inquiries and historical payments

- You can obtain a filing certification
- You can check the status of your tax return and payment. For this you must select the option “Check Status” on the main page of the Digital Services VAT Portal

The following statuses may appear in this query:

- No current tax return: It means that you have not sent a tax return for the period consulted
- Current tax return without payment: It means that you sent a tax return for the period consulted, but it does not record an associated payment.
- Current tax return with partial payment: It means that you sent a tax return for the period consulted and there is an associated payment, but for a partial amount of the total to be paid.
- Current tax return paid: It means that you send a tax return and payment for the period consulted.

**Note:** Remember that the Swift Transfer can take up to three business days to be reported to the Chilean Tax Administration, so this information may take a few days to update