



IMPLEMENTING VAT ON CROSS BORDER DIGITAL TRADE IN SERVICES AND GOODS

Chile

2026

CROSS BORDER DIGITAL TRADE TIMELINE

2020

VAT applied to specific services supplied by nonresidents

2020

International Payment Card Report

2024

**Telecom companies
Payment Report**

2024

VAT to all types of services supplied by nonresidents

2025

- **VAT on remote sales of low value goods**
- **Full liability regime for platforms**

CROSS BORDER DIGITAL TRADE TIMELINE

PRIOR CONTEXT AND MAIN DRIVERS

SERVICES

- Absence of clear VAT territoriality rules for remote services provided by non-resident suppliers, resulting in uncertainty regarding the place of supply, despite the fact that such services are effectively consumed within Chile
- High and expanding digital connectivity in Chile, as evidenced by data from the Subsecretariat of Telecommunications (SUBTEL), indicating that approximately 94.5% of the population has internet access; 74.7% of household connections are based on fiber-optic technology, alongside the continued expansion of free public Wi-Fi zones and the rollout of 5G networks

SALES OF LOW VALUE GOODS

- Significant volume of inbound shipments. According to Customs data, more than 54 million packages entered Chile in 2024
- Of this total, over 50 million shipments(93%)— valued at USD 41 or less—were exempt from VAT, more than 93% of all shipments received during the year

CROSS BORDER DIGITAL TRADE TIMELINE

EARLY STEPS

- Define and design the legal framework, adopting a structure aligned with OECD models for an easy compliance processes for affected nonresident companies
- Develop IT capacity and conduct system testing ensuring operational readiness and reliability prior to implementation
- Identify relevant stakeholders through analysis of payment card data
- Engage stakeholders at an early stage, with collaborative dialogue, including coordinated work with BIAC
- Implement advance communications for stakeholders, to ensure awareness and preparation such as pre-launch email notifications
- Enable early registration mechanisms allowing entities to register ahead of formal implementation deadlines

CROSS BORDER DIGITAL TRADE TIMELINE

EXECUTION

- Conduct a public consultation process on the proposed administrative guidance to gather feedback and ensure transparency
- Launch a consumer awareness media campaign in Chile, aimed at informing the public of the changes and their implications for them
- Hold informational meetings with relevant stakeholders following the issuance of the administrative guidance, to explain requirements and address questions
- Develop a user-friendly digital portal to facilitate registration, compliance, and ongoing interactions with the SII
- Establish an efficient and accessible communication channel with the SII for registered businesses, enabling support and guidance
- Implement a simple online filing process, supported by a concise, clear, and streamlined tax return form

CORE ELEMENTS LEGAL FRAMEWORK FOR SERVICES

SCOPE OF VAT LEVIED SERVICES

2020-2024:

- Intermediation services (* commission)
- Digital entertainment (movies, videos, music, ebooks, games, etc..)
- Supplies of SaaS, PaaS and IaaS
- Advertisement

NOVEMBER 1, 2024: all remote services

TAXING RIGHTS: PLACE OF CONSUMPTION

❖ SERVICES DEEMED AS USED IN CHILE, two concurrent requirements

- Chilean IP address or another geolocation mechanism
- Credit card, bank checking account or other payment means, issued or registered in Chile
- Chilean address for billing or for issuing payment vouchers
- Chilean country code for cell phone SIM card

❖ **B2B SUPPLIES:** reverse charge to the local business

❖ **B2C SUPPLIES:** simplified registration and VAT compliance regime

MAIN FEATURES SIMPLIFIED VAT COMPLIANCE REGIME

- ❖ Non-resident businesses are required to register under the simplified VAT compliance regime in order to declare and pay VAT. Alternatively, they may opt to register under the ordinary VAT regime applicable to Chilean resident or domiciled companies
- ❖ The simplified regime applies exclusively to businesses providing B2C services
- ❖ Registration is completed through an online process available on the SII website
- ❖ No registration threshold applies regardless of the level of earnings
- ❖ The standard VAT rate of 19% applies to all taxable transactions
- ❖ The regime operates on a pay-only basis, with no entitlement to input VAT credits and no requirement to issue invoices or other tax documentation
- ❖ Compliance obligations are significantly reduced compared to those under the ordinary VAT regime
- ❖ Tax returns may be filed on a monthly or quarterly basis, depending on the taxpayer's election
- ❖ Payments may be made in Chilean pesos, U.S. dollars, or euros, with VAT remitted via SWIFT transfer

SIMPLIFIED VAT COMPLIANCE PORTAL AND TAX RETURN



DIGITAL VAT

Pursuant to regulations introduced in 2020 and 2024, nonresident taxpayers who provide services remotely to local beneficiaries are subject to VAT.

In addition, starting October 25, 2025, VAT will apply to the sale of low value goods located abroad and delivered to Chile, when these goods are purchased remotely by non-VAT taxpayers in Chile from a nonresident digital intermediation platform or vendor.

Who must pay Digital VAT?

This tax obligation applies only to nonresident taxpayers who provide services or sell goods remotely to final consumers in Chile (not local VAT taxpayers).

- The Intermediaries of services rendered in Chile, whatever their nature, or of sales made in Chile or abroad, provided that the latter give rise to an import.
- Those who supply or deliver digital entertainment content, such as videos, music, games or other analogues, through download, streaming or other technology, including for these purposes, texts, magazines, newspapers and books.
- Those who supply software, storage, platforms or computer infrastructure.
- Those who carry out advertising, regardless of the medium or medium through which it is delivered, materialized or executed.

Declaration and payment

[Send Declaration](#)

[Check Status](#) [Check Debt](#)

Enrollment and Registration

We will send you an email with a verification code that you must use to register and create your account.

[Registration Form](#)

[Modify my data](#)

Once the account is created, you will get a User Number to file your tax return.

DIGITAL VAT FORM (F129)

Declaration for the remote provision of services and/or remote sale of goods by non-resident non-domiciled in Chile.

[This form must be filled only if services were provided or sales were made to Chilean clients during the corresponding tax period.]

Tax period:			User Number		Folio Number	
15	MONTH	YEAR	03	092269201	07	
	09	2025				

Registration information

Services Provided and/or Sale of Goods

	Services	Goods	Total	
Number of transactions	101	106	117	+
Tax base	102	107	118	=
Value added tax	103	108	119	-
Rebates	104	109	120	-

VAT Remnants

VAT remnants from previous periods	VAT remnants accumulated for subsequent periods
201	202

Total Tax Determined 547

Total to be paid in legal term	91	=
Fine and interest	93	-
Total to be paid with surcharge	94	= USD

Debt previous tax periods

You can check the detail of the amount due displayed at code [300] and pay it in this tax return.

Amount due previous periods	300	36.830.39	=	See Detail
Total to pay	301		=	USD

[Back](#) [Submit Tax Return](#) [Reset Tax Return](#)

1.- VENDOR REGISTRATION REGIME. Non-resident sellers of low-value goods will be required to charge VAT on their sales to Chilean consumers

- ❖ Low-value goods are defined as goods with a value of up to USD 500, inclusive of any charges bundled into the sale price
- ❖ Non-resident sellers of low-value goods are required to register under the simplified VAT compliance regime in order to declare and remit VAT
- ❖ Low-value goods are exempt from customs duties and import VAT at the border, provided that VAT has been effectively charged by the non-resident seller at the point of sale
- ❖ The traditional collection mechanism for VAT and customs duties at importation applies as a fallback, including in B2B transactions, where VAT was not charged by the non-resident seller, or where the value of the goods exceeds USD 500

2.- FULL LIABILITY REGIME for digital intermediation platforms

- ❖ Digital platform (DP) operators are deemed to be the “habitual” seller or service provider for supplies that they intermediate
 - ❖ This deeming rule applies provided that:
 - ❖ the underlying supply is made to a consumer (B2C), and
 - ❖ the underlying supplier is not a registered taxpayer (i.e. a non-resident supplier)
- ❖ Aimed at addressing the informal economy by ensuring VAT collection where the underlying supplier is not registered
- ❖ Non-resident digital platform operators are required to register and comply with their obligations under the simplified VAT regime
- ❖ Services consisting solely of advertising or payment processing are excluded and do not qualify as digital platforms for these purposes
- ❖ Where two or more digital platforms facilitate a transaction, VAT liability rests with the platform that authorizes or processes the payment

OUTCOME

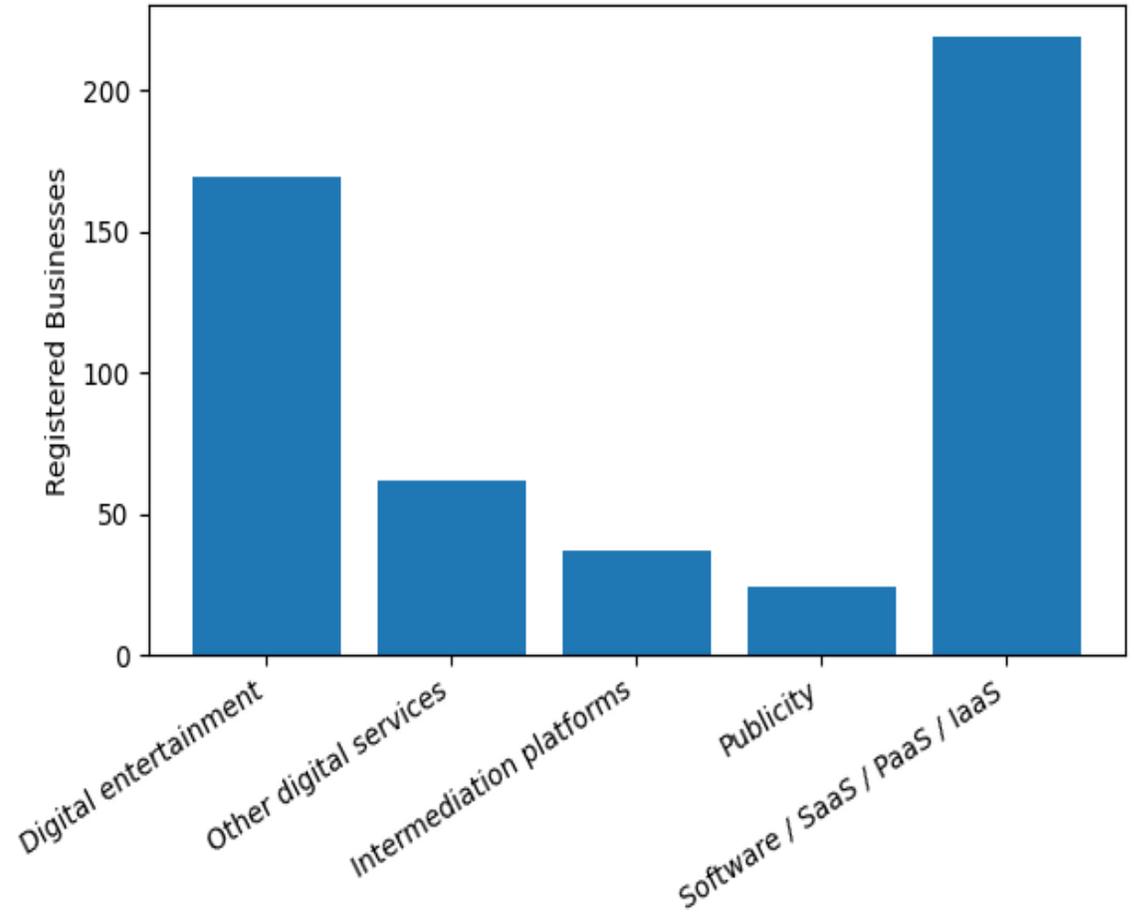
KNOWLEDGE GAINED

- ❖ Do not underestimate the importance of issuing administrative guidance at an early stage, once key policy decisions have been made to provide timely legal certainty to affected stakeholders and allow them to adjust their operational systems
- ❖ Public consultations are likely to result in changes, flexibility is essential in order to accommodate feedback
- ❖ Use payment data to identify and approach major stakeholders and engage with them
- ❖ Design for unilateral exclusion mechanisms allowing the tax authority to clean and update registries and, where necessary, exclude ineligible companies, particularly in the context of services
- ❖ Changes to filing periodicity or payment currency should be limited (Chile, once-per-year window) as more frequent changes significantly complicate control
- ❖ Collect transaction-level information as this facilitates effective cross-checking
- ❖ Transitional rules are critical for businesses that do not put systems in place to identify whether a customer is a VAT taxpayer, allowing a reasonable adjustment period

OUTCOME

- **511 registered service providers**
- **28 registered sellers**
- **In total VAT paid in USD 1,630,861,802.0 for services**

Registered Businesses by Type of Service (31.12.2025)



OUTCOME

VAT FILED

YEAR	CLP	EUR	USD
2020	677,828,253	35,717,246.48	92,534,134.42
2021	905,613,561	30,993,380.51	245,058,647.51
2022	1,036,420,865	36,033,705.19	241,687,803.88
2023	871,757,062	37,405,545.90	260,270,963.91
2024	1,190,503,852	39,648,524.59	294,703,200.99
2025*	1,032,843,442	30,223,000.17	261,523,725.91
TOTAL	5,714,967,035	210,021,402.84	1,395,778,476.62

* Does not include fourth quarter



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