

LEGAL ALERT

November 2024

Voluntary system for the declaration of undeclared foreign investments

Dear clients and friends,

We inform you that the Internal Revenue Service (SII) has extended the term of the new extraordinary and voluntary system for regularizing foreign investments, allowing taxpayers residing in Chile to normalize those investments not previously declared. This regime will be available until December 31, 2024, providing a last opportunity to extinguish past tax liabilities without penalties.



The content of this information does not and cannot be considered, in any case, legal advice on the part of its authors, which has been written in a merely informative manner.

Key Aspects of the Voluntary Declaration

1. Who can apply?

Natural and legal persons domiciled, resident or incorporated in Chile before January 1, 2023, who have undeclared assets or income abroad. Those who have been prosecuted for tax crimes, money laundering or financing of terrorism, as well as those who already have open SII investigations, are excluded.

2. Reportable assets and income

This regime allows the regularization of a wide range of assets, such as properties abroad, shares, bonds, rights in companies, as well as income generated by these assets (dividends, interests, among others). Structures such as trusts and trusts can also be regularized, as long as the beneficiaries and administrators are identified.

3. Single Tax and Extinction of Responsibilities

The tax to regularize is 12% of the value of the declared assets, with the advantage that this payment extinguishes previous tax obligations and avoids administrative and criminal sanctions related to the omission of previous declarations.

4. Procedure and Required Documentation

The process requires submitting a detailed inventory of assets, along with supporting documentation proving ownership and date of acquisition. The SII will have a period of 12 months to review the information.



5. Valuation rules

The assets that are declared must be reported according to their commercial value on the date of the declaration, there being particular rules to determine said value depending on the type of asset in question.

Form and Applicable Sanctions

The voluntary declaration of assets must be submitted using Form 1929. Circular 48 of 2022 establishes the sanctions for cases of non-submission, late, incomplete or erroneous submission. These penalties can vary depending on the violation and can reach up to 50 UTA. Omissions or serious errors may result in greater penalties, up to 15% of the taxpayer's own tax capital or 5% of the taxpayer's effective capital, with the possibility of additional fines in cases of recidivism or serious misconduct.

Criminal liability

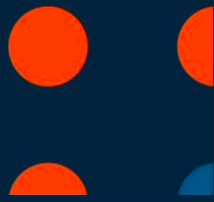
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Our Legal Advice Service

At dnpv Abogados, we know that this type of procedure can be complex, especially when it comes to the regularization of investments abroad. Therefore, we are here to help you take advantage of this regularization opportunity in the most efficient and complete way, avoiding possible penalties and ensuring that your tax situation is in order.

We provide you with personalized support at every stage of the process:

1. Accurate evaluation of your assets and income: we help you determine which assets can benefit from this system and how to do it in the most beneficial way.
2. Preparation of the inventory and valuation of your assets: we ensure that all information complies with SII regulations and that your declaration is as accurate as possible.
3. Coordination of supporting documentation: we organize the legalization or apostilling of all the necessary documents, so that they are ready for any eventuality.
4. Review and adjustment of your tax situation: our objective is that, by joining this voluntary regime, you can obtain the greatest benefits and avoid future inconveniences.



This is the ideal time to regularize your investments safely and without exposing yourself to possible sanctions. Do not hesitate to contact partner Pedro Novoa and/or attorney Muriel Hernández at pnovoa@dnpv.cl and mhernandez@dnpv.cl to schedule a meeting and review your case in detail.

Without further ado, goodbye sincerely,

dnpv abogados