

CHILEAN LABOR BOARD PUBLISHES ELECTRONIC REMUNERATION BOOK

Effective March 15th, 2021, the Electronic Remuneration Book (hereinafter "ERB") is available on the Labor Board's platform. The ERB is intended for employers to report, in a standardized and monthly manner, the payment of remunerations made to their employees.

The regulation of the new ERB is contained mainly in the Labor Board's Ruling No. 877/006 issued on March 10th, 2021 (the "Ruling") and in Exempt Resolution of the Chilean Internal Revenue Service ("IRS") No. 29 issued on March 9th, 2021. Likewise, the Labor Board published [a manual for the use of the ERB](#) on its website, along with a [supplementary document](#), both of which regulate the operation of the new platform.

As indicated by the administrative authority in the Ruling, the employer's incorporation to this electronic system is irrevocable. Thus, if an employer begins to use this mechanism it will not be able to go back to the physical remuneration book, and it will be obliged to keep using this electronic system.

On the other hand, the IRS specified that the use of the ERB will relieve the employers from their current obligation to get the physical remuneration book stamped. In any case, when employers report their employees' wages and deductions to the Labor Board, they shall mention all the information currently being sent to the IRS in the Sworn Statement Form No. 1887.

Finally, the Labor Board determined that the incorporation of the employer to the electronic registration system completely and irrevocably replaces the physical registration system as of the first day of the calendar year of incorporation. Therefore, regardless of the month in which the incorporation into the system occurs, employers will have the obligation to enter the remuneration information for each and every month of the respective calendar year, retroactively. Similarly, the incorporation during 2021 will make it necessary to also

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declare in the system the remunerations paid in the calendar year 2020, with the sole purpose of verifying the fulfillment of benefits or rights accrued or paid in such period.

According to the Labor Board, it is possible that the ERB will become mandatory during 2021, depending on the entry into force of Law No. 21,327 regarding the modernization of the Labor Board, and the issuance of its corresponding supplementary regulations. The foregoing, notwithstanding that as of August 2021, some taxpayers may be obliged to issue the remuneration book or other auxiliary accounting books electronically, as a consequence of having a prior authorization or order for f using technological systems or issuing electronic accounting books, in accordance with the provisions of the IRS' Exempt Resolution No. 13 issued on February 9th, 2021.

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