

June, 2020

> CIRCULAR NO. 38 AND RESOLUTION NO. 56: TAX AUTHORITY GIVES INSTRUCTIONS ON THE TEMPORARY REDUCTION OF THE STAMP TAX RATE

On May 25, 2020, the Chilean IRS issued instructions on the temporary decrease to 0% of the Stamp Tax rate accrued between April 1 and September 30, 2020 (the "0% Rate Term").

In general terms, the Circular establishes the following:

1. Although this is a transitory decrease, it benefits extensions and renewals made during the 0% Rate Term, which are linked to documents originally granted and taxed. This represents a change of criteria by the Chilean IRS.
2. The application of the reduced rate to the issuance of bonds or short-term debt securities whose first placement is made during the 0% Rate Period, will benefit from the reduced rates exclusively for placements made within such period. In the case of imports or entry of goods from abroad into free trade zones affected by the sole tax of Article 3 of Decree Law No. 3,475 of 1980 ("Stamp Tax Law"), the reduction of the Stamp Tax rate is also extended to operations for which payment occurs after the 0% Rate Term. In these cases, it is important that the acceptance of the respective customs document is verified within such period.
3. Instructions are given on the accrual, enforceability and other aspects of the tax applicable to credits related to finance exports.
4. For the purposes of applying the exemption for refinancing operations indicated in Article 24 No. 17 of the Stamp Tax Law, it is considered that the operations whose tax accrued during the 0% Rate Term were affected by the rates that would have applied if the aforementioned reduction had not occurred. Additionally, for purposes of this disposition, taxes accrued during the 0% Rate Term are treated as effectively paid.
5. Although the Stamp Tax rate is temporarily reduced, the corresponding accessory tax obligations remains.



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Resolution 56, issued on May 26, confirms that this measure does not exempt compliance with accessory obligations, such as the declaration of the tax through forms No. 24, 24.1 and affidavit 3324.

The content of the Circular No. 38 can be [reviewed here](#).

The content of the Resolution No. 56 can be [reviewed here](#).