

No. 48011

**Switzerland
and
Chile**

Convention between the Swiss Confederation and the Republic of Chile for the avoidance of double taxation with respect to taxes on income and on capital (with protocol). Santiago, 2 April 2008

Entry into force: *5 May 2010 by notification, in accordance with article 28*

Authentic texts: *English, French and Spanish*

Registration with the Secretariat of the United Nations: *Switzerland, 14 December 2010*

**Suisse
et
Chili**

Convention entre la Confédération suisse et la République du Chili en vue d'éviter les doubles impositions en matière d'impôts sur le revenu et sur la fortune (avec protocole). Santiago, 2 avril 2008

Entrée en vigueur : *5 mai 2010 par notification, conformément à l'article 28*

Textes authentiques : *anglais, français et espagnol*

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[ENGLISH TEXT – TEXTE ANGLAIS]

CONVENTION

BETWEEN

THE SWISS CONFEDERATION

AND

THE REPUBLIC OF CHILE

**FOR THE AVOIDANCE OF DOUBLE TAXATION
WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL**

THE SWISS FEDERAL COUNCIL

AND

THE GOVERNMENT OF THE REPUBLIC OF CHILE

**DESIRING to conclude a Convention for the avoidance of double taxation with respect to
taxes on income and on capital**

HAVE AGREED as follows:

CHAPTER I

SCOPE OF THE CONVENTION

Article 1

Persons covered

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2

Taxes covered

- 1. This Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.**
- 2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.**
- 3. The existing taxes to which the Convention shall apply are in particular:**
 - a) in the case of Chile:**

the taxes imposed under the Income Tax Act, "Ley sobre Impuesto a la Renta" (hereinafter referred to as "Chilean tax");
 - b) in the case of Switzerland:**

the federal, cantonal and communal taxes

 - (i) on income (total income, earned income, income from capital, industrial and commercial profits, capital gains, and other items of income); and**

- (ii) on capital (total property, movable and immovable property, business assets, paid-up capital and reserves, and other items of capital)
(hereinafter referred to as "Swiss tax").

4. The Convention shall apply also to any identical or substantially similar taxes, and to taxes on capital, which are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall, at the end of each year, notify each other of any significant changes which have been made in their respective taxation laws.

CHAPTER II

DEFINITIONS

Article 3

General definitions

1. For the purposes of this Convention, unless the context otherwise requires:
 - a) the term "Chile" means the Republic of Chile;
 - b) the term "Switzerland" means the Swiss Confederation;
 - c) the terms "a Contracting State" and "the other Contracting State" mean Chile or Switzerland as the context requires;
 - d) the term "person" includes an individual, a company and any other body of persons;
 - e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
 - f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

- g) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when such transport is solely between places in the other Contracting State;
- h) the term "competent authority" means:
 - (i) in the case of Chile, the Minister of Finance or his authorised representative;
 - (ii) in the case of Switzerland, the Director of the Federal Tax Administration or his authorised representative;
- i) the term "national" means:
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person constituted in accordance with the laws in force in a Contracting State.

2. As regards the application of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Convention applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4

Resident

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation or any other criterion of a similar nature and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or of capital situated therein.