

Chile

1. Chile was reviewed as part of the 2017/2018 and the 2018/2019 peer reviews. This report is supplementary to those previous reports (OECD, 2019^[1]) (OECD, 2018^[2]).
2. The first filing obligation for a CbC report in Chile commences in respect of fiscal years commencing on or after 1 January 2016.

Summary of key findings

3. Chile's domestic and administrative framework to implement the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[3]), except that:
 - It is recommended that Chile introduce enforcement measures applicable to Surrogate Parent Entities. This recommendation is unchanged since the 2017/2018 peer review.
4. It is recommended that Chile take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference (OECD, 2017^[3]) relating to the exchange of information framework as soon as possible. This recommendation remains unchanged since the 2018/2019 peer review.
5. it is recommended the Chile take steps to ensure that reports are exchanged by the required date.
6. It is recommended that Chile take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

Part A: The domestic legal and administrative framework

7. Chile meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of the absence of enforcement measures on Surrogate Parent Entities.

(a) Parent entity filing obligation

8. No changes were identified.

(b) Scope and timing of parent entity filing

9. No changes were identified.

(c) Limitation on local filing obligation

10. No changes were identified.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified.

(e) Effective implementation

12. It is recommended that Chile take steps to introduce enforcement measures applicable to Surrogate Parent Entities, as the current penalties only apply to Ultimate Parent Entities. This recommendation remains unchanged since the 2017/2018 peer review.

Conclusion

13. Chile meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of the absence of enforcement measures on Surrogate Parent Entities.

Part B: The exchange of information framework**(a) Exchange of information framework**

14. As of 31 March 2020, Chile has 71 bilateral relationships in place for the exchange of CbC reports activated under the CbC MCAA. Within the context of its international exchange of information agreements that allow automatic exchange of tax information, Chile has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that currently meet the confidentiality, consistency and appropriate use conditions. Regarding Chile's exchange of information framework, no inconsistencies with the terms of reference were identified.¹

(b) Content of information exchanged

15. No changes were identified.

(c) Completeness of exchanges

16. No changes were identified.

(d) Timeliness of exchanges

17. Peer input was received that Chile exchanged some reports relating to the 2017 reporting periods after the required date.

18. As Chile have not provided any information in relation to these late exchanges it is recommended the Chile take steps to ensure that reports are exchanged by the required date.

(e) Temporary suspension of exchange or termination of QCAA

19. No changes were identified.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. No changes were identified.

(g) Format for information exchange

21. No changes were identified.

(h) Method for transmission

22. No changes were identified.

Conclusion

23. It is recommended that Chile take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework as soon as possible. This recommendation remains unchanged since the 2018/2019 peer review.

24. It is recommended the Chile take steps to ensure that reports are exchanged by the required date

Part C: Appropriate use

Appropriate use

25. No changes were identified.

Conclusion

26. Chile is recommended to take steps to ensure that appropriate use condition is met as soon as possible.

Summary of recommendations on the implementation of country-by-country reporting

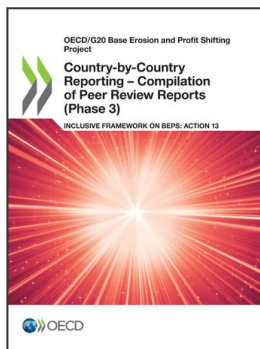
Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Chile introduce enforcement measures applicable to Surrogate Parent Entities.
Part B	Exchange of information framework	It is recommended that Chile take steps to implement the necessary processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.
Part B	Exchange of information framework	It is recommended that Chile take steps to ensure that reports are exchanged by the required date.
Part C	Appropriate use	It is recommended that Chile take steps to ensure that the appropriate use condition is met as soon as possible.

References

- OECD (2019), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/f9bf1157-en>. [1]
- OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>. [2]
- OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing, <https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>. [3]

Note

¹ No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.



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