CÁMARA
CHILENO BRITÁNICA
DE COMERCIO

# Doing Business in Chile
# Guide 2025

## FOREIGN TRADE

# Executive Summary

Chile's foreign trade policy is founded on the principle that all goods can be freely traded, allowing anyone to engage in international transactions. It maintains minimal barriers to imports and investment, applying the same standards and regulations to both domestic and foreign goods. Importers are generally not required to obtain licenses or undergo inspections, though they may need to use a customs broker. Only specific goods, based on their nature, require certification from the relevant authority to meet legal requirements before importation or customs clearance.

Customs regulations outline the procedures and steps involved in the importing process, including customs valuation, tariff classification for tax calculation, and goods registration. Key documents required for importing into Chile include the commercial invoice, certificate of origin, and transport document. The most common method for determining customs value in Chile is the transaction price, which is the price paid or payable for the imported goods.

Most imports are subject to a 6% most-favoured-nation (MFN) ad valorem duty, except where preferential tariff rates may also apply to imports under Free Trade Agreements or other commercial agreements with the country of origin. Standards and technical regulations apply equally to foreign and domestic goods, and Chile's use of trade safeguard measures has been minimal. A 19% value-added tax (VAT) is applied.

Various duty and tax relief schemes have been established to promote export sector growth, allowing certain goods to be imported without customs duties under specific conditions. Chile also has two Free Trade Zones, located in Iquique and Punta Arenas. Imports into these zones are exempt from several taxes, including customs duties, VAT, and income tax. Companies operating within these zones benefit from exemptions on corporate tax, customs duties, and VAT on their initial sales.

Exported products must meet the requirements and regulations of the destination country, which may involve certifications or relevant documentation. Export operations must be conducted through a Customs Agent, who is responsible for classifying the merchandise, determining its customs value, and coordinating with supervisory entities. Chile also allows for temporary exports, enabling merchandise to leave the country temporarily without losing its status or incurring customs duties, provided certain conditions are met.

Chile has established 33 commercial agreements encompassing Free Trade Agreements with 65 countries, offering customs preferences and duty exemptions for most products. These agreements grant Chilean products and services access to markets representing 65% of the global population, with approximately 93% of Chilean exports directed to countries with preferential trade arrangements. The most recent FTA signed by Chile is with the United Arab Emirates, concluded in July 2024.

Chile employs the Harmonized System for Tariff Classification (HS) in most of its trade agreements, providing at least the most favourable tariff treatment to all trading partners. The HS, developed by the World Customs Organization (WCO), is an internationally recognized standard classification system for products, promoting harmonization and simplification of customs systems and procedures through internationally agreed conventions and best practices.

Chile has strengthened its trade relationship with the United Kingdom through an Association Agreement (AA) and by participating in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Additionally, Chile is a participant in the Trans-Pacific Strategic Economic Partnership Agreement (TPSEP or P4), aiming to liberalize economies in the Asia-Pacific region.

The internationalization of Chile's economy has provided significant benefits such as technology transfer, increased competition, and enhanced support for entrepreneurship.

# IMPORTS

An import is the legal introduction of foreign goods for use or consumption in the destination country.

Since 2001, the requirement for a pre-approved import license has been removed. Any individual or legal entity with a Tax ID number (Rol Único Tributario - RUT) and registration with the Internal Revenue Service may import goods. All manufactured products or raw materials produced by a registered and controlled facility in the country of origin are eligible for import.

To successfully import, it is necessary to meet the technical, administrative, and legal requirements specific to the nature and intended use of the goods. This may include obtaining certifications, analyses, and statements. Compliance with these requirements is overseen by Chilean government audit institutions, including the National Customs Service, the Agricultural and Livestock Agency (Servicio Agrícola y Ganadero - SAG), the Regional Health Service (Seremi de Salud), the Fisheries Service (Servicio Nacional de Pesca - Sernapesca), and the Institute of Public Health (Instituto de Salud Pública - ISP)."

The importation of goods in Chile is subject to applicable tariffs and trade agreements. Except for transactions under USD 1,000, Chilean customs law (Ordenanza de Aduanas) mandates the involvement of Customs Agents (Agentes de Aduana). These licensed professionals act as intermediaries, assisting with the clearance of goods through Chilean Customs.

## Labelling Requirements.

Products sold to the public in Chile must provide truthful and accurate information that avoids misleading consumers. Labelling should be clear, easy to understand, and presented in Spanish, meeting all legal requirements applicable to the respective market sector. Products subject to labelling requirements include food, disinfectants, cosmetics, medicines, toys, and electrical and fuel-based products.

Packaged products must be labelled before sale, indicating the country of origin, quality, purity, ingredients, net weight, production date, expiration date, any additives (for preserved products), producer's name, and importer's name, all in Spanish.

For imported food, the Ministry of Health's Food Sanitary Regulations specify labelling information, including container or label content, format, size, messages, signage, illustrations, and other characteristics.

Additional requirements include:

- Food, Cosmetics, Pharmaceuticals, and Toxic Substances: Prior authorization from the Regional Health Service or Institute of Public Health is required for importing these products. Pharmaceuticals and cosmetics must be registered with the Institute of Public Health.
- Agricultural, Forestry, and Fisheries Products: Importation requires prior authorization from the Agricultural and Livestock Service (SAG), under the Ministry of Agriculture. Products like meat and dairy must originate from facilities pre-approved by SAG.

## Customs Processing.

In any customs clearance procedure, Customs Agents play a crucial role, with responsibilities including:

- Customs Valuation: Determining the tax basis for calculating duties and taxes.
- Tariff Classification: Establishing the applicable tariff preferences based on the goods' classification.
- Goods Description and Registration: Entering product descriptions into the Customs database, a system implemented by the Customs Service to streamline the process for recurring imports. Once a product is registered during its initial entry, the same description can be used for future shipments of the same item.

The Customs Agent must formalize the Customs Destination of imported goods by preparing and submitting a Customs Destination Admission Declaration (CDAD) (Declaración de Destinación Aduanera de Ingreso - DIN) to the National Customs Service (Servicio Nacional de Aduanas). The "destination" refers to one of the nine classifications of customs regimes applicable to the import, which are detailed later in this article.

The CDAD can be filed in advance, before the goods arrive in Chile, if all required documentation is included.

It is the responsibility of Customs dispatchers to ensure declarations accurately reflect the import documents. If the documents are unclear, the Customs dispatcher is expected to inspect the goods to ensure an accurate declaration.

Required Documents and Information for the CDAD.

To prepare and submit the Customs Destination Admission Declaration (CDAD), the following documents and information are required:

- Commercial Invoice: Original or a copy from the foreign supplier.
- Certificate of Origin: Submitted in compliance with the formalities of the relevant trade agreement.
- Transport Document: The original document indicating the importer and consignee (e.g., Air Waybill, Packing List, Bill of Lading).
- Packing List: For goods packed in containers. If unavailable, it may be replaced by a consignee affidavit containing a detailed description of the package contents.
- Insurance Certificate: Original (or copy) if insurance is provided separately from the invoice.
- Special Certificates/Inspection Certificates: Required from relevant authorities depending on the product (e.g., fuel, liquefied natural gas (LNG), seafood, arms), confirming compliance with legal regulations.
- Transit Document for Trade Agreements: For imports under trade agreements, a document confirming that goods transiting through third states have not undergone any processing other than unloading, reloading, or operations to preserve their condition.

The National Customs Service selectively monitors statements for accuracy, maintaining records as needed.

Upon acceptance of the declaration, Customs may physically inspect the goods and review accompanying documents to ensure compliance with regulatory and tax requirements.

After timely payment of all duties, taxes, fees, and charges, the CDAD will be legalized, allowing the goods to be released from the customs warehouse.

## Customs duties.

*(i) Tariff Code Classification*

Tariff classification is essential to establish the taxes payable for goods entering Chile, as well as to identify any restrictions or applicable tariff benefits.

Goods classification in Chile follows the Chilean Tariff Code (Arancel Aduanero), which is based on the Harmonized Commodity Description and Coding System (HS). The latest amendments to the HS took effect on January 1, 2023.

This process involves identifying the appropriate national subheading for a product within an organized list of goods, which is structured in alignment with the Harmonized System. The current classification code contains 21 subsections, with various items further subclassified.

Accurate identification and classification require detailed knowledge of the product's technical specifications, including commercial and technical names, relevant features, components, applications, usage, graphical details, and packaging.

The Customs Agent designated by the importer is responsible for classifying the goods. The agent is liable for any fines due to incorrect classification unless the error arises from misrepresentation, incorrect information, or missing data provided by the importer.

*(ii) Valuation*

All Customs Destination Admission Declarations (DIN) or entry documents require a customs value declared by the Customs Agent.

The customs value of goods is determined ad valorem (based on their value) in accordance with the valuation rules of the World Trade Organization (WTO). The customs value must include the cost of transportation to the point of entry in Chile, along with any associated loading, unloading, and handling costs, as well as insurance expenses. The point of entry refers to where goods are admitted for customs processing.

While various methods can be used to determine customs value, Chile primarily relies on the transaction price method, where the customs tariff is applied to the actual price paid or payable for the goods when sold for export to Chile. This transaction price, often represented by the invoice price, includes the total payment made or to be made by the buyer to the seller or their designee. Payments may be made in cash, via letters of credit, negotiable instruments, or other methods, directly or indirectly.

The customs value on customs documents must be expressed in US dollars. The exchange rate between US dollars and Chilean pesos (CLP) is set by the Chilean Central Bank, based on the rate in effect when the declaration is accepted.

If the Customs Service finds the declared value inconsistent with free market conditions, it may reassess the value. Errors in valuation may result in fines or delays due to inspections by the Customs Service.

(iii) Origin

Rules of origin are used to establish the origin of goods based on principles (origin criteria) defined in national legislation or international agreements. While a certificate of origin is not required for importing goods into Chile, it is essential for claiming preferential tariff treatment under Chilean laws and trade agreements.

Generally, these rules specify the material requirements that a product must meet to qualify for tariff preferences under a free trade agreement. There are two main criteria to determine a product's country of origin:

1. Wholly Obtained or Produced: When all materials originate from the country in question, such as products that are grown, harvested, or extracted there (e.g., canned fruit, vegetables, fish, or minerals).

2. Sufficient Transformation: When materials from third countries are used, the final product must undergo significant transformation in the specified country to be considered as originating from there.

## Import Tariff Regimes.

*(i) General import tariff regime*

Under the general import tariff regime, customs duties are applied to the total value listed on the commercial invoice from the foreign seller, which includes the merchandise cost, insurance, and freight. This total, known as the CIF (Cost, Insurance, and Freight) value, represents the transaction price.

Currently, the standard customs duty for most merchandise under Chile's Tariff Code is 6%, applied to the CIF value. Exceptions to this rate include capital assets and aircraft, along with their parts or components. Additionally, for certain agricultural products like wheat, wheat flour, and sugar, a price band system established in 1986 mitigates the effects of international price fluctuations on the domestic market. When international prices for these products fall below a set "floor" level, an import tax is applied on top of the standard 6% tariff.

Furthermore, a 19% Value Added Tax (VAT) (Impuesto al Valor Agregado - IVA) is charged on the sum of the CIF value plus the 6% customs duty.

*(ii) Preferential Tariff Regimes*

In addition to the general import tariff regime, preferential tariff regimes may apply based on a Free Trade Agreement (FTA) or other commercial agreement with the product's country of origin.

The customs duties on specific imports vary according to the FTA or commercial agreement between Chile and the country of origin. In some cases, imports may benefit from a 0% tariff; in others, a reduced tariff applies according to a schedule that gradually decreases over the years, eventually reaching 0%.

These imports must be processed by a Customs Agent due to the technical expertise required to accurately determine the applicable tariff or customs duty.

*(iii) Special cases*

Sometimes, due to the nature of the merchandise or because the import operation does not constitute a “sale,” a different tariff regime may apply. Examples of merchandise subject to these special tariff regimes include used or new motor vehicles, goods imported under lease contracts, certain IT software, movies or videos, set-off transactions, and more.

For customs purposes, an international sale of merchandise is defined as the transfer of ownership from one party to another for a price or other consideration.

The customs value for such merchandise is determined based on its condition at the time customs duties are paid. This value must be fair, uniform, neutral, and reflective of commercial reality.

In valuing used merchandise, discounts for wear or damage are considered.

Unlike many other countries, Chile applies customs duties to the import of samples, even though this is a non-commercial operation. Unless the samples are eligible for a specific tariff exemption, their customs value is based on their standard market price.

## Antidumping, Countervailing Duties and Safeguards

As noted, Chile has exercised restraint in the use of trade remedies, applying safeguards, antidumping, and countervailing duties only when necessary to protect domestic industry. These measures may be used when imports cause actual or potential harm to local production due to artificially low prices at the origin, such as those affected by foreign subsidies. Additionally, imports may face antidumping measures if there is a dumping margin—when the export price is lower than the normal value of the goods.

Several entities hold authority in the field of antidumping:

1. Antidistortion Commission: This body addresses complaints about price distortions in imported goods. It can recommend antidumping or countervailing measures (related to subsidies) if there is evidence of price distortion, serious harm to the domestic industry producing a similar product, and a causal link between the distortion and the damage to local production.

2. Antitrust Entities: The National Economic Antitrust Prosecutor (FNE) and the Competition Court (TDLC) are empowered to investigate or adjudicate cases of subsidies and dumping stemming from foreign actions that impact the Chilean market.

## Duty Relief Schemes

"Duty relief" is a customs process that allows certain goods to be imported without paying customs duties, provided specific conditions are met, which vary depending on the "destination" regime under which the goods are imported. This duty exemption applies to various activities, including temporary admission for re-export in the same state, customs warehousing, transit, temporary admission for inward processing, and export processing zones, among others.

Such duty relief schemes are also known as "duty suspension" schemes, "economic regimes," or "special customs regimes" in other countries.

To support the growth of a competitive export sector, Chile has introduced a range of duty and tax relief programs, like those in other countries. These schemes recognize that imported goods are often used in export production. Imposing tariffs on these imports effectively acts as a tax on exports by raising production costs, which can reduce competitiveness in global markets. By removing or suspending customs duties and taxes on these "intermediate" imports, governments aim to mitigate these cost impacts on exporters.

## Special Regimes Applicable to Duty Relief Schemes on Imports

*(i) Temporary Admission*

Temporary admission allows foreign goods, or goods from Chilean zones with special customs treatment, to enter Chile for a specific purpose without losing their foreign status, with the intent of later re-exporting, importing, or delivering them to Customs.

Under this scheme, goods must remain unaltered or unmodified and are exempt from customs duties and VAT. However, a guarantee equal to the applicable customs duties and taxes (if imported) must be paid to Customs. Additionally, a variable fee is assessed based on the duration the goods remain under this scheme, calculated as a percentage of the customs duties and taxes that would apply if the goods were imported.

The exact guarantee and fee rates are determined on a case-by-case basis by the National Customs Director, who considers factors such as the type of goods, length of stay, purpose of admission, potential customs preferences if imported, benefits to Chile, secondary effects on the area, labour retention, and technology transfer.

Temporary admission must be requested through a DIN, and the National Customs Service may grant authorization if the goods meet the required authorizations and certifications for definitive import. A concession period is set if not stipulated by law, limited to a single term not exceeding one year.

Certain items are exempt from this rate, including merchandise displayed in government-sponsored exhibitions, items for theatre and public shows, containers, television films or videos, foreign civil vessels or aircraft, and other items as specified by the Customs Authority.

Capital assets brought in under temporary admission for exhibition at international fairs may be sold to third parties. Containers may be transferred to other companies handling similar goods.

*(ii) Private Warehousing*
The National Customs Service may authorize private facilities or warehouses (Almacenes Generales de Depósito) for the storage of foreign goods exempt from customs duties that would typically apply to imports.

The general maximum storage period for merchandise in private warehousing is 90 calendar days, which cannot be extended unless a specific agreement exists with a particular country. Once this duty suspension period expires, the merchandise must either be imported or re-exported.

If goods remain in storage beyond the 90-day limit, they are considered abandoned for government benefit and may be subject to public auction, unless reclaimed with a surcharge of 5% over the CIF value plus 0.1% for each day exceeding the legal term.

While in the Private Warehouse, the goods are under Customs authority and supervision and cannot be used, sold, or unpacked. Additionally, a performance bank bond is required as a guarantee, equal to the customs duties and taxes that would apply if the goods were imported.

## Free Trade Zones

A Free Trade Zone (Zona Franca - FTZ) is a specially designated area, usually located near an airport or port, that benefits from customs extraterritorial status.

Due to this status, goods imported into Free Trade Zones are exempt from most taxes, including customs duties, VAT, additional taxes, and First Category Income Tax. For example, as of 2024, companies operating in the Free Trade Zone of Iquique—a prominent FTZ—enjoy: (i) 100% exemption from corporate tax, (ii) 100% exemption from customs duties, (iii) 0% VAT on initial sales, and (iv) a 0.8% import tax. Foreign merchandise in FTZs can be stored, transformed, finished, or commercialized without restriction and can be re-exported directly from the zone. However, imports leaving the FTZ for the Chilean market must pay full tariff and VAT charges.

Chile has two Free Trade Zones: (1) the Free Zone of Iquique (ZOFRI) in the northern First Region, and (2) the Free Zone of Punta Arenas (ZONA AUSTRAL) in the southern Twelfth Region.

ZOFRI is a key hub for goods destined for Bolivia, Peru, Paraguay, and northern Argentina, encompassing the free ports of Arica and Iquique. ZONA AUSTRAL also includes a free port. Both zones provide facilities for manufacturing, packaging, and exporting.

## Inward Processing Relief

Inward Processing Relief permits foreign goods to be imported without paying customs duties, provided they are used in domestic manufacturing operations. Authorizations for this relief are granted for general industrial activities through a government decree or ruling, which serves as the basis for requesting duty relief.

# EXPORTS

An export is the legal exit of national or nationalized goods for use or consumption abroad. Exports are generally not subject to customs duties unless specifically required by law.

Any individual or legal entity with a Tax ID number (RUT) and registered with the Internal Revenue Service is allowed to export.

All products—whether manufactured or raw—that meet the requirements and regulations of the destination country can be exported. These requirements may include certifications from Chilean supervisory institutions or documentation necessary for the product's unrestricted sale in the destination market.

Except for a few specific exceptions, all export operations must be processed through a Customs Declaration submitted to the Chilean Customs Service by a Customs Agent, along with supporting documentation.

The Customs Agent is responsible for classifying the merchandise, determining its customs value, and coordinating with relevant supervisory entities. This ensures that all administrative procedures and technical requirements are met for export authorization and the issuance of documentation needed by the destination market, its authorities, and the consignee.

## Temporary Export

National or nationalized merchandise may temporarily leave Chile without losing its status and without incurring customs duties or taxes that would typically apply upon re-import, provided that:

- The goods are identifiable by type,
- The goods return to Chile within the specified temporary export period, not exceeding two years, and
- The goods' specifications, nature, and intended use align with legal requirements.

Examples of items eligible for this temporary export scheme include merchandise, vehicles, or animals for exhibitions, sample collections, or public entertainment events (such as theatre or circus), as well as goods for storage, machinery and tools, or parts for repair.

## COMMERCIAL AGREEMENTS: PROSPECTS, CHALLENGES AND OPPORTUNITIES

Chile has a dynamic, growing economy that actively encourages foreign investment and free trade. Over the past two decades, Chile has signed Free Trade Agreements (FTAs) with a wide range of partner countries.

Chile has established 33 FTAs and commercial agreements with about 65 countries and trade blocs across the Americas, Asia, Europe, and the Pacific region. Key partners include the United States, the European Union, Bolivia, China, Canada, Central America, Colombia, Ecuador, Japan, Mercosur (Argentina, Brazil, Paraguay, Uruguay, and Venezuela), Mexico, Panama, Peru, South Korea, the Pacific-4 (Chile, New Zealand, Singapore, and Brunei)[1], the European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland), Australia, Hong Kong, Malaysia, Vietnam, Thailand, China, and the TPP-11 (which includes Chile, Australia, Brunei Darussalam, Canada, Mexico, Japan, Malaysia, New Zealand, Peru, Singapore, and Vietnam), among others. The most recent FTA, signed with the United Arab Emirates, is expected to take effect in July 2024.

These agreements provide customs preferences and duty exemptions for most products originating from these countries, if they meet each agreement's rules of origin. FTAs grant Chilean products and services stable, preferential access to markets covering 65% of the global population, offering an expanded market of 5.05 billion people under favourable terms.

As a result of these agreements, approximately 93% of Chile's exports are directed to countries with which it holds commercial preferences.

The internationalization of Chile's economy has delivered numerous benefits, including technology transfer, increased competition, and the development of support industries, all of which have fostered entrepreneurship and enhanced productivity.

## UK TRADE WITH AND THROUGH CHILE

Chile currently has two key international agreements governing its bilateral relations with the United Kingdom:

1. Association Agreement: Signed on January 30, 2019, the Association Agreement between Chile and the United Kingdom took effect on January 1, 2021.

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1 Also known as the 2005 Trans-Pacific Strategic Economic Partnership Agreement (TPSEP or P4), which is an agreement among Chile, Brunei, New Zealand and Singapore that aims to further liberalize the economies of the Asia-Pacific region.

2. TPP-11: In July 2023, the UK formally joined the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), an Asia-Pacific trade bloc comprising 11 countries, including Chile.

These agreements provide additional frameworks for trade with the UK, contributing to reduced trade barriers in a region that is dynamic and increasingly significant in the global economy.

Annual trade between Chile and the UK reached USD 2.34 billion in 2023. Chilean exports to the UK amounted to USD 763 million, a 29% decrease from 2022. Key exports included fresh vegetables and fruits (notably blueberries, avocados, and grapes), beverages and tobacco (mainly wine), and timber products. Meanwhile, UK exports to Chile increased by 12.5%, totalling USD 1.56 billion. Major exports to Chile included cars, mechanical power generators, beverages and tobacco, medicinal and pharmaceutical products, and animal feed.

Chile has become an attractive hub for UK businesses, serving as a platform for investment across Latin America and Asia, including markets like New Zealand and China. Chile's extensive network of FTAs and commercial agreements grants it privileged access to most global markets, positioning Chile as a bridge between Latin America and the rest of the world.

In November 2005, Chile signed an FTA with China, effective from October 1, 2006, which reduced tariffs on 92% of Chilean exports, with some enjoying a 0% tariff. The agreement also benefited 97% of Chinese exports, with 50% granted duty-free treatment and the rest phased out over time.

On April 13, 2008, China and Chile signed a Supplementary Agreement to the FTA on Service Trade, which took effect on August 1, 2010. This agreement opened China's 23 service sectors, including computing, management consulting, real estate, mining, environmental services, sports, and air transport, as well as Chile's 37 sectors, such as legal services, construction and architecture, engineering, computing, R&D, real estate, advertising, consulting, mining, manufacturing, leasing, distribution, education, environment, tourism, sports, and air transport.

This framework, aligned with WTO commitments, provides reciprocal market access for service providers from both countries without restrictions and discrimination.

British companies can use Chile as a strategic platform to export to TPP-11 countries (Australia, Brunei Darussalam, Canada, Mexico, Japan, Malaysia, New Zealand, Peru, Singapore, and Vietnam) and China, leveraging FTAs and other agreements, provided their products comply with the rules of origin. UK businesses may benefit from the Chile-China FTA by exporting goods at more competitive prices or by importing raw materials or components to Chile for assembly or finishing, then re-exporting them to China as Chilean-made products at reduced or 0% tariffs. Similarly, this strategy can be used for exports to the European Union under the Chile-EU FTA.