

DRAFT STATUTORY INSTRUMENTS

**2003 No.**

**INCOME TAX**

**The Double Taxation Relief (Taxes  
on Income) (Chile) Order 2003**

*Made* - - - - *2003*

**THE DOUBLE TAXATION RELIEF (TAXES  
ON INCOME) (CHILE) ORDER 2003**

1. This Order may be cited as the Double Taxation Relief...
2. It is hereby declared— (a) that the arrangements specified in...  
Signature

SCHEDULE —

**PART I — CONVENTION BETWEEN THE GOVERNMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN  
IRELAND AND THE GOVERNMENT OF THE REPUBLIC  
OF CHILE FOR THE AVOIDANCE OF DOUBLE TAXATION  
AND THE PREVENTION OF FISCAL EVASION WITH  
RESPECT TO TAXES ON INCOME AND ON CAPITAL  
GAINS**

CHAPTER I

SCOPE OF THE CONVENTION

Article 1

*PERSONS COVERED*

Article 2

*TAXES COVERED*

1. This Convention shall apply to taxes on income and on...
2. There shall be regarded as taxes on income and on...

3. The existing taxes to which this Convention shall apply are,...
4. This Convention shall apply also to any identical or substantially...

## CHAPTER II

### DEFINITIONS

#### Article 3

##### *GENERAL DEFINITIONS*

1. For the purposes of this Convention, unless the context otherwise...
2. As regards the application of this Convention at any time...

#### Article 4

##### *RESIDENT*

1. For the purposes of this Convention, the term “resident of...”
2. Where by reason of the provisions of paragraph (1) of...
3. Where by reason of the provisions of paragraph (1) of...
4. An item of income, profit or gain derived through a...
5. Notwithstanding any other provision of this Convention, an investment fund...
6. Where under any provision of this Convention any income is...

#### Article 5

##### *PERMANENT ESTABLISHMENT*

1. For the purposes of this Convention, the term “permanent establishment”...
2. The term “permanent establishment” includes especially: (a) a place of...
3. The term “permanent establishment” shall also include:
4. Notwithstanding the preceding provisions of this Article, the term “permanent...”
5. Notwithstanding the provisions of paragraphs (1), (2), and (3) of...
6. Notwithstanding the preceding provisions of this Article, an insurance enterprise...
7. An enterprise shall not be deemed to have a permanent...
8. The fact that a company which is a resident of...

## CHAPTER III

### TAXATION OF INCOME

#### Article 6

##### *INCOME FROM IMMOVABLE PROPERTY*

1. Income derived by a resident of a Contracting State from...
2. The term “immovable property” shall have the meaning which it...
3. The provisions of paragraph (1) of this Article shall apply...
4. The provisions of paragraphs (1) and (3) of this Article...

## Article 7

### *BUSINESS PROFITS*

1. The business profits of an enterprise of a Contracting State...
2. Subject to the provisions of paragraph (3) of this Article,...
3. In determining the profits of a permanent establishment, there shall...
4. No profits shall be attributed to a permanent establishment by...
5. For the purposes of the preceding paragraphs of this Article,...
6. Where profits include items of income or capital gains which...
7. In applying paragraphs (1) and (2) of this Article, income...
8. Nothing in this Convention shall affect the taxation in Chile...
9. Nothing in this Convention shall affect the application of the...

## Article 8

### *SHIPPING AND AIR TRANSPORT*

1. Profits derived by an enterprise of a Contracting State from...
2. For the purposes of this Article, profits from the operation...
3. The provisions of paragraph (1) of this Article shall also...

## Article 9

### *ASSOCIATED ENTERPRISES*

1. Where (a) an enterprise of a Contracting State participates directly...
2. Where a Contracting State includes in the profits of an...

## Article 10

### *DIVIDENDS*

1. Dividends paid by a company that is a resident of...
2. However, such dividends may also be taxed in the Contracting...
3. The term “dividends” as used in this Article means income...
4. The provisions of paragraphs (1) and (2) of this Article...
5. Where a company that is a resident of a Contracting...
6. The provisions of this Article shall not apply if it...

## Article 11

### *INTEREST*

1. Interest arising in a Contracting State and paid to a...
2. However, such interest may also be taxed in the Contracting...
3. The term “interest” as used in this Article means income...
4. The provisions of paragraphs (1) and (2) of this Article...
5. Interest shall be deemed to arise in a Contracting State...
6. Where, by reason of a special relationship between the payer...
7. The provisions of this Article shall not apply if it...

## Article 12

### *ROYALTIES*

1. Royalties arising in a Contracting State and paid to a...
2. However, such royalties may also be taxed in the Contracting...
3. The term “royalties” as used in this Article means payments...
4. The provisions of paragraphs (1) and (2) of this Article...
5. Royalties shall be deemed to arise in a Contracting State...
6. Where, by reason of a special relationship between the payer...
7. The provisions of this Article shall not apply if it...

## Article 13

### *CAPITAL GAINS*

1. Gains derived by a resident of a Contracting State from...
2. Gains from the alienation of movable property forming part of...
3. Gains derived by a resident of a Contracting State from...
4. Gains derived by a resident of a Contracting State, from...
5. Gains from the alienation of any property other than that...
6. The provisions of this Article shall not affect the right...

## Article 14

### *INCOME FROM EMPLOYMENT*

1. Subject to the provisions of Articles 15, 17 and 18...
2. Notwithstanding the provisions of paragraph (1) of this Article, remuneration...
3. Notwithstanding the preceding provisions of this Article, remuneration derived by...

## Article 15

### *DIRECTORS' FEES*

## Article 16

### *ENTERTAINERS AND SPORTSMEN*

1. Notwithstanding the provisions of Articles 7 and 14 of this...
2. Where income in respect of personal activities exercised by an...

## Article 17

### *PENSIONS, MAINTENANCE PAYMENTS AND PENSIONS CONTRIBUTIONS*

1. Pensions arising in a Contracting State and paid to a...
2. Periodic payments, made pursuant to a written separation agreement or...
3. Contributions paid in respect of employment or self-employment by, or...

## Article 18

### *GOVERNMENT SERVICE*

1. (a) Salaries, wages and other similar remuneration, other than a...
2. The provisions of Articles 14, 15 and 16 of this...

## Article 19

### *STUDENTS*

## Article 20

### *OTHER INCOME*

1. Items of income of a resident of a Contracting State,...
2. The provisions of paragraph (1) of this Article shall not...
3. Notwithstanding the provisions of paragraphs (1) and (2) of this...
4. Where, by reason of a special relationship between the person...
5. The provisions of this Article shall not apply if it...

## CHAPTER IV

### METHODS FOR AVOIDANCE OF DOUBLE TAXATION

## Article 21

### *RELIEF FROM DOUBLE TAXATION*

1. In the case of Chile, double taxation shall be avoided...
2. Subject to the provisions of the law of the United...
3. For the purposes of paragraph (2) of this Article, profits,...

## CHAPTER V

### SPECIAL PROVISIONS

## Article 22

### *NON-DISCRIMINATION*

1. Nationals of a Contracting State shall not be subjected in...
2. The taxation on a permanent establishment that an enterprise of...
3. Nothing in this Article shall be construed as obliging a...
4. Except where the provisions of paragraph (1) of Article 9,...
5. Companies that are residents of a Contracting State, the capital...
6. The provisions of this Article shall apply to the taxes...

## Article 23

### *MUTUAL AGREEMENT PROCEDURE*

1. Where a person considers that the actions of one or...
2. The competent authority shall endeavour, if the objection appears to...
3. The competent authorities of the Contracting States shall endeavour to...

**Draft Legislation:** This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: *The Double Taxation Relief (Taxes on Income)(Chile) Order 2003 No. 3200*

4. For the purposes of paragraph (3) of Article XXII (Consultation)...
5. The competent authorities of the Contracting States may communicate with...

#### Article 24

#### *EXCHANGE OF INFORMATION*

1. The competent authorities of the Contracting States shall exchange such...
2. In no case shall the provisions of paragraph (1) of...
3. If information is requested by a Contracting State in accordance...
4. If specifically requested by the competent authority of a Contracting...

#### Article 25

#### *MEMBERS OF DIPLOMATIC OR PERMANENT MISSIONS AND CONSULAR POSTS*

#### CHAPTER VI

#### FINAL PROVISIONS

#### Article 26

#### *ENTRY INTO FORCE*

1. Each of the Contracting States shall notify the other through...
2. The provisions of this Convention shall have effect:

#### Article 27

#### *TERMINATION*

1. This Convention shall remain in force until terminated by one...
2. The provisions of this Convention shall cease to have effect:...

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#### PART II — EXCHANGE OF NOTES

##### ***In General***

***With reference to paragraph (3) of Article 5 (Permanent Establishment)***

***With reference to paragraph (7) of Article 5 (Permanent Establishment)***

***With reference to Article 7 (Business Profits)***

***With reference to paragraph (2) of Article 9 (Associated Enterprises)***

***With reference to paragraph (2) of Article 10 (Dividends)***

***With reference to paragraph (2) of Article 11 (Interest) and paragraph (2) of Article 12 (Royalties)***

***With reference to Article 12 (Royalties)***

***With reference to paragraph (1) of Article 14 (Income from Employment) and paragraphs (1) and (2) of Article 18 (Government Service)***

***With reference to paragraph (1) of Article 17 (Pensions, Maintenance Payments and Pension Contributions)***

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Explanatory Note