

United States Senate Approves Long-Awaited US-Chile Tax Treaty

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Report from IBFD Tax Treaties Unit

On 22 June 2023, after more than a decade, the United States Senate has given its approval to the [Chile - United States Income and Capital Tax Treaty \(2010\)](#). The treaty, initially signed in Washington on 4 February 2010, with additional corrections and exchanges of notes in 2011 and 2012, has finally reached a major milestone. The approved treaty will now proceed for ratification by the President. The treaty's ratification by the President will be the final step in its implementation, paving the way for enhanced economic collaboration and streamlined tax processes between the two countries.

The United States Senate's consent to ratification of the treaty today, during the 1st session of the 118th United States Congress, follows approval by the United States Senate Committee on Foreign Relations on 1 June 2023.

The treaty was previously approved by the United States Senate Committee on Foreign Relations on 29 March 2022, during the 117th United States Congress (see [United States Senate Committee Approves Tax Treaty with Chile \(31 March 2022\)](#)). However, no further action was taken during the 117th Congress, and the treaty was therefore automatically rereferred to the Committee at the 117th Congress's adjournment.

The Chilean Congress had already approved the tax treaty in 2015.

The [US - Chile tax treaty](#) serves various important purposes. First and foremost, it tackles the issue of double taxation, ensuring that businesses are not burdened by being taxed on the same income in both countries. By eliminating this obstacle, the treaty provides certainty for businesses operating across borders, encouraging investment and facilitating cross-border trade.

Additionally, the tax treaty complements the existing free trade agreement between the United States and Chile, further enhancing economic cooperation and mutual benefits. Further developments will be reported as they occur.

