

Uruguay; Chile

Uruguay Reduces Tax Rate on Interest Payments Under Double Tax Convention with Chile Due to Most Favoured Nations (MFN) Clause

15 February 2023

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The Tax Authority has reduced the treaty rate applicable for interest payments, which was triggered by a most favored nation (MFN) clause contained in the Protocol of the Double Tax Treaty between Uruguay and Chile. Consequently, the new reduced withholding tax rate on gross interest payments is 10% (previously, 15%).

The announcement was published on the Uruguayan tax authority's Official Website on 6 February 2023 and has retroactive effect as from 1 January 2023. The announcement can be accessed [here](#) (in Spanish only).

Uruguay; Chile - Uruguay Reduces Tax Rate on Interest Payments Under Double Tax Convention with Chile Due to Most Favoured Nations (MFN) Clause (15 Feb. 2023), News IBFD.

Exported / Printed on 8 Mar. 2024 by hkermadi@deloitte.lu.