

Free Trade Zones. Chile has free trade zones (zonas francas) at Iquique in the north of the country and Puntas Arenas in the south. These zones generally allow processing operations such as assembly, finishing and manufacturing of imported materials which are imported duty free and exempt from the value-added tax (VAT). Any products taken out of these areas into the customs territory of Chile are subject to the applicable duty and taxes.

Duties and Taxes

Customs duties are 15 per cent for several products. Where it can be proven that a product is subsidized by the exporting country special surcharges up to 15 per cent can be applied.

A three per cent tax is levied on the c.i.f. value stated in import registrations. This tax is allowed as a credit against the assessed customs duties. Value-added tax (VAT) at 20 per cent is applied on the c.i.f. value of imported goods plus duties and charges thereon. However, VAT is not levied on goods constituting part of the equity contribution of a foreign investment or if imported as part of a local investment program when the goods are not available in Chile in the quantity or quality required. These goods are included in a list issued by the Ministry of Economy.

Packing and Labelling

Local packaging and labelling requirements are generally not difficult to meet.