Regulatory News Alerts & Updates

Regulatory Alert: Chile Implements VAT for Low Value Shipments and Increases De Minimis Threshold

September 18, 2025

Background

Chile's Tax Authority (SII – Servicio de Impuestos Internos) and Chile's Customs Authority issued joint Resolution No. 103 (for SII) and No. 3507 (for Customs), which regulates the implementation of import processes for low value goods subject to SII's Simplified Taxation Regime and the increases Chile's duty de minimis from USD41 to USD500.

The resolution goes into effect on October 25, 2025, and concludes a 12-month transitional period set by Law 21.713 (signed into law on October 24, 2024) for (1) the development of SII's Simplified Taxation Regime, (2) the increase of the duty de minimis to USD500, and (3) the application of Value Added Tax (VAT) for the sale of low value goods shipped to Chile by foreign vendors.

Under SII's Simplified Taxation Regime, online marketplaces and e-commerce businesses who sell low value goods shipped to a natural person (Business-to-Consumer or B2C) in Chile will be liable for the VAT collection and remittal to SII. The legislation also requires merchants to provide specific information to the transporter of each shipment of low value goods for which VAT was collected at the time of purchase.

A shipment is considered "low value" when the price of the item, individually, does not exceed USD500.

For more information, please refer to the SII's Simplified Taxation Regime website: https://www.sii.cl/vat/

What has changed?

Starting on October 25, 2025, VAT will apply to the sale of low value goods shipped to Chile, when these goods are purchased remotely by natural persons in Chile from foreign e-commerce platform or vendors without legal presence in Chile. VAT will be collected by the foreign vendors at the time of purchase and remitted to SII directly (if the vendor is registered in SII's Simplified Taxation Regime) or at the border.

To enable VAT collection at the time of purchase for low value goods shipped to Chile, the e-commerce businesses and marketplaces must register under SII's Simplified Taxation Regime (more information here) which will issue the business an individual user number.

To certify that the VAT applicable for the remote sale of a good located abroad was charged to the buyer, the remote seller or the digital platform, or whomever they delegate this function to, must provide the transportation company with the following information for each shipment:

- The legal name of seller or e-commerce platform without domicile or residence in Chile.
- The user number granted to the seller upon registration in SII's Simplified Taxation Regime in the Airway Bill description section and in the commercial invoice.
- An indication that the VAT was effectively charged to the buyer.
- Shipment tracking number.
- Chile's Tax ID number (RUN - Rol Único Nacional or RUT - Rol Único Tributario) of the consignee in the Airway Bill and commercial invoice.

If the e-commerce platform or foreign vendor is registered in the SII's Simplified Taxation Regime and collects VAT at the time of purchase for a low value good shipped to a natural person in Chile and provides the required information to the transporter, the shipment will (1) be exempt from duties, (2) not subject to any additional VAT payments at the port of entry, and (3) receive expedited clearance.

If the e-commerce platform or foreign vendor ships a low value good to a natural person in Chile, but is not registered under SII's Simplified Taxation Regime, or is registered but does not provide the required information to the transportation company, the shipment will (1) be processed as an informal entry (as per current regulations), (2) will be exempt from duty payments (if shipments are occasional and non-commercial, subject to the interpretation of Chile's Customs authority), and (3) will be subject to VAT payment at the border prior to release (requiring an informal entry), which may delay clearance.

Shipments between two natural persons (Consumer-to-Consumer or C2C) valued at USD500 or less are exempt from duty and VAT payments, if the shipments are occasional and non-commercial, subject to the interpretation of Chile's Customs authority.

Shipments over USD500, or shipments between two business entities (Business-to-Business or B2B), will be processed as an informal entry (for shipments valued up to USD3000 FOB), or formal entry (for shipments valued over USD3000 FOB), as per current legislation, subject to VAT, and any applicable customs duties and clearance charges.

Reporting the Chile's Tax ID number (RUN - Rol Único Nacional or RUT - Rol Único Tributario) of the consignee in the Airway Bill and commercial invoice (if applicable) continues to be a requirement for all shipments to Chile.

Q&A

Q 1: Where can I get additional information on this new legislation?
A 1: Visit Chile's Tax Authority's (SII) Simplified Taxation Regimen website (https://www.sii.cl/vat/) for further information, registration process, relevant documents, and SII's contact information.

Q 2: Where can foreign e-commerce platforms or vendors shipping low value goods to Chile register for SII's Simplified Taxation Regime?
A 2: Visit SII's Simplified Taxation Regime website (https://www.sii.cl/vat/) where the e-commerce marketplaces and foreign vendors can register to obtain the user number that must be provided to the express company.

Q 3: What type of shipments are subject to SII's Simplified Taxation Regime?
A 3: The SII's Simplified Taxation Regime is applicable for the declaration and payment of VAT by taxpayers without domicile or residence in Chile who sell, directly and remotely, low value goods located outside of Chile at the time of sale, that are legally permitted in Chile and shipped to an address in Chile and consigned to natural persons in Chile.

A good is considered "low value" when the price of the item, individually, does not exceed USD500.

Q 4: How should e-commerce platforms report the user number and other necessary information to the transportation company to comply with SII's Simplified Taxation Regime?
A 4: E-commerce platforms or foreign vendors registered under SII's Simplified Taxation Regime are required to provide the transportation company with the following information per shipment:

- The legal name of seller or e-commerce platform without domicile or residence in Chile.
- The user number granted to the seller upon registration in SII's Simplified Taxation Regime in the Airway Bill description section and in the commercial invoice.
- An indication that the VAT was effectively charged to the buyer.
- Shipment tracking number.
- Chile's Tax ID number (RUN - Rol Único Nacional or RUT - Rol Único Tributario) of the consignee in the Airway Bill and commercial invoice.

When a shipment groups two or more items, whether from a single purchase or multiple purchases, from the same or different remote sellers or platforms, each of the items included in the shipment must carry the indicator that VAT has been charged on the purchase.

Q 5: If the e-commerce platforms fail to provide FedEx with the SII user number and other required information, what will happen to my shipment?
A 5: Businesses that are registered under SII's Simplified Taxation Regime and have a user number are required to provide the information outlined in Question 3, the transportation company.

If the required information is not provided to the transportation company, the shipment will be processed as an informal entry and subject to taxes (including VAT payment).

If the e-commerce marketplace collected the VAT for products contained in a shipment but failed to report the required information outlined in Question 3, the consignee will be subject to the repayment of the VAT for the shipment as it will be processed as an informal entry.

Q 6: How do I know if I am required to register under SII's Simplified Taxation Regime?
A 6: Under Chile's Tax and Services Law (Law 825 of 1974), taxpayers not domiciled or resident in Chile who sell low value goods to persons domiciled or resident in the country who are not taxpayers of the taxes established in said law, shall be subject to SII's Simplified Taxation Regime.

See SII's Directive No. 84 for more information and details of who must register under SII's Simplified Taxation Regime: https://www.sii.cl/vat/directive_84_2025_eng.pdf

Q 7: Will FedEx share the e-commerce marketplace user number provided by SII?
A 7: Transportation companies handling shipments sent by e-commerce platforms subject to SII's Simplified Taxation Regime are required by the legislation to electronically report to Customs the e-commerce marketplace's user number for each shipment for which the same e-commerce marketplace has already collected VAT at the time of purchase.

Q 8: What if any shipment to Chile has a declared value of more than USD500?
A 8: Shipments valued at USD500 or more are not eligible for SII's Simplified Taxation Regime and will be processed as an informal or formal entry (depending on the shipment's value), and applicable duties and taxes (including VAT) will be collected from the importer at the border.

Q 9: Are there any goods that will not be subject to SII's Simplified Taxation Regime even if the e-commerce platform or foreign vendor is registered?
A 9: In addition to B2B and C2C shipments, regardless of their value, goods that are subject to other special or additional taxes (for example, the tax on alcoholic and non-alcoholic beverages, the tax on tobacco and cigarettes, and the tax on luxury goods), and goods that require authorization or prior approval from other agencies before being imported into the country (for example, authorizations from the ISP, MINSAL, SAG, National Directorate of Mobilization, SEREMI, Undersecretariat of Fisheries, Health Service, Undersecretariat of Telecommunications, National Commission for Nuclear Energy, etc.) are not eligible for VAT collection at the time of purchase through SII's Simplified Taxation Regime.

Q 10: How does SII determine if a good is low value?
A 10: A good is considered "low value" when the price of the item, individually, does not exceed USD500.

Q 11: Can a shipment include items for which VAT was already collected at the time of purchase, and items for which VAT was not collected at the time of purchase?
A 11: Items or articles to which VAT has been charged at the time of purchase may not be grouped in the same shipment with items or articles to which such tax has not been charged and must be collected at the border.

If a shipment includes both items with VAT charged at the time of purchase and items for which VAT was not charged at the time of purchase, the shipment will be subject to the general import procedures.

Timeline for implementation: October 25, 2025

Resources

Chile's Tax Authority and Customs Authority Joint Resolution No. 103 and No. 3507 (in Spanish)
https://www.sii.cl/normativa_legislacion/resoluciones/2025/reso103.pdf

Chile's Tax Authority Simplified Taxation Regime Website
https://www.sii.cl/vat/

Chile's Tax Authority Directive N°84 which Regulates Registration in the Simplified Tax Regime
https://www.sii.cl/vat/directive_84_2025_eng.pdf

Chile's Tax Authority Directive N°93 which Regulates the Declaration and Payment of VAT by Remote Sellers and Operators of Digital Intermediation Platforms According to the Simplified Tax Regime
https://www.sii.cl/vat/directive_93_2025_eng.pdf
Law 21.713 (in Spanish) - https://www.bcn.cl/leychile/navegar?idNorma=1207746