

CHILE

TEXT OF RESOLUTION OF ADVICE AND CONSENT TO RATIFICATION

Resolved (two-thirds of the Senators present concurring therein),

SECTION 1. SENATE ADVICE AND CONSENT SUBJECT TO A DECLARATION

The Senate advises and consents to the ratification of the Convention Between the Government of the United States of America 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 Capital, signed at Washington February 4, 2010, with a Protocol signed the same day, as corrected by exchanges of notes effected February 25, 2011, and February 10 and 21, 2012, and a related agreement effected by exchange of notes on February 4, 2010 (the "Convention") (Treaty Doc. 112-8), subject to the reservations of section 2 and the declaration of section 3.

SECTION 2. RESERVATIONS

The advice and consent of the Senate under Section 1 is subject to the following reservations, which shall be included in the instrument of ratification:

- (1) Nothing in the Convention shall be construed as preventing the United States from imposing a tax under section 59A, entitled the "Tax on Base Erosion Payments of Taxpayers with Substantial Gross Receipts," of the Internal Revenue Code (as it may be amended from time to time) on a company that is a resident of the United States or the profits of a company that is a resident of Chile that are attributable to a permanent establishment in the United States.
- (2) Paragraph 1 of Article 23 (Relief from Double Taxation) of the Convention shall be deleted and replaced by the following:
 1. In accordance with the provisions and subject to the limitations of the law of the United States (as it may be amended from time to time without changing the general principle thereof):
 - a) the United States shall allow to a resident or citizen of the United States as a credit against the United States tax on income applicable to residents and citizens the income tax paid or accrued to Chile by or on behalf of such citizen or resident. For the purposes of this subparagraph, the taxes referred to in subparagraph b) of paragraph 3 and paragraph 4 of Article 2 (Taxes Covered), excluding taxes on capital, shall be considered income taxes; and
 - b) in the case of a United States company owning at least 10 percent of the aggregate vote or value of the shares of a company that is a resident of Chile and from which the United States company receives dividends, the United States shall allow a deduction in the amount of such dividends in computing the taxable income of the United States company."

SECTION 3. DECLARATION

The advice and consent of the Senate under section 1 is subject to the following declaration:

The Convention is self-executing.