

No. 49794

**Republic of Korea
and
Chile**

Convention between the Republic of Korea and the Republic of Chile for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital (with protocol). Seoul, 18 April 2002

Entry into force: *25 July 2003, in accordance with article 28*

Authentic texts: *English, Korean and Spanish*

Registration with the Secretariat of the United Nations: *Republic of Korea, 6 July 2012*

**République de Corée
et
Chili**

Convention entre la République de Corée et la République du Chili tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu et sur le capital (avec protocole). Séoul, 18 avril 2002

Entrée en vigueur : *25 juillet 2003, conformément à l'article 28*

Textes authentiques : *anglais, coréen et espagnol*

Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies : *République de Corée, 6 juillet 2012*

[ENGLISH TEXT – TEXTE ANGLAIS]

**CONVENTION BETWEEN
THE REPUBLIC OF KOREA AND
THE REPUBLIC OF CHILE
FOR THE AVOIDANCE OF DOUBLE TAXATION AND
THE PREVENTION OF FISCAL EVASION WITH
RESPECT TO TAXES ON INCOME AND ON CAPITAL**

The Republic of Korea and the Republic of Chile, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital;

Have agreed as follows:

CHAPTER I

SCOPE OF THE CONVENTION

Article 1

PERSONS COVERED

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2

TAXES COVERED

1. This Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.
3. The existing taxes to which the Convention shall apply are, in particular:
 - (a) in Chile, the taxes imposed under the Income Tax Act, "*Ley sobre Impuesto a la Renta*" (hereinafter referred to as "Chilean tax"); and

- (b) in Korea,
 - (i) the income tax;
 - (ii) the corporation tax;
 - (iii) the special tax for rural development, and
 - (iv) the inhabitant tax;(hereinafter referred to as "Korean tax").

4. The Convention shall apply also to any identical or substantially similar taxes and to taxes on capital which are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. At the end of each year, the competent authorities of the Contracting States shall notify each other of any significant changes which have been made in their respective taxation laws.

CHAPTER II

DEFINITIONS

Article 3

GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires:
 - (a) the terms "a Contracting State" and "the other Contracting State" mean, as the context requires, the Republic of Chile or the Republic of Korea, hereinafter "Chile" or "Korea", respectively;
 - (b) the term "person" includes an individual, a company and any other body of persons;
 - (c) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
 - (d) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

- (e) the term "international traffic" means any transport by a ship or aircraft except when such transport is solely between places in a Contracting State;
- (f) the term "competent authority" means:
 - (i) in Chile, the Minister of Finance or his authorised representative, and
 - (ii) in Korea, the Minister of Finance and Economy or his authorised representative;
- (g) the term "national" means:
 - (i) any individual possessing the nationality of a Contracting State;
 - (ii) any legal person or association deriving its status as such from the laws in force in a Contracting State.

2. As regards the application of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Convention applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4

RESIDENT

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of management, place of incorporation, place of head or main office, or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State, or of capital situated there in.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows: