Insights: Tax Alert

Chilean IRS Strengthens Transfer Pricing Audits and Reports Record Tax Collections of CLP 94 Billion (approximately USD 103 Million)

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Chilean IRS Intensifies Transfer Pricing Enforcement Through Risk-Based Audits

On August 24, the Chilean Internal Revenue Service (Servicio de Impuestos Internos, or **SII**) announced the results of its 2025 Transfer Pricing audit activities, reporting the completion of **125 audits** that generated nearly **USD 103 million** in additional tax collections, with an average yield of approximately **USD 822,000 per audited case**. Additionally, for the first time, the agency published aggregated statistical indicators regarding international related-party transactions and Country-by-Country Reporting (CbCR), further reinforcing its transparency and tax risk management strategy.

Key Highlights

1. Increased Audit Activity and Effectiveness

According to information released by the SII, Transfer Pricing audits conducted during 2025 generated total collections of approximately **USD 102.8 million**, distributed as follows:

- **General Transfer Pricing Audits:** 33 cases, generating approximately **USD 53.6 million** (52.2% of total collections).
- **Financial Transactions Audits:** 28 cases, generating approximately **USD 33.3 million** (32.4% of total collections).
- **Other Related-Party Transactions:** 64 cases, generating approximately **USD 15.9 million** (15.4% of total collections).

These results confirm that intra-group financial transactions and comprehensive transfer pricing reviews continue to be priority areas for the Chilean tax authority.

*USD figures are provided for reference purposes only and have been calculated using the exchange rate as of August 24, 2026.

2. More Sophisticated Risk Assessment Models

The SII highlighted that its taxpayer selection process relies on advanced data analytics and risk assessment methodologies. Factors considered in identifying potential tax exposures include:

- Recurring losses.
- Profitability margins outside market ranges.
- Transactions involving low-tax jurisdictions.
- Significant changes in business structures.
- Inconsistencies between financial information and tax filings.

The SII also leverages information obtained from tax returns, financial statements, automatic exchange of information mechanisms, and Country-by-Country Reports (CbCR), among other sources.

3. Publication of New Statistical Indicators

As part of its Tax Compliance Management Plan, the SII released new statistical indicators concerning international related-party transactions and Country-by-Country Reporting. According to the authority, this initiative aims to strengthen tax transparency and align local practices with international standards and statistical models promoted by the OECD and leading tax administrations.

4. Economic Relevance of Intra-Group Transactions

The SII emphasized the growing importance of related-party transactions within Chile's international trade flows. According to the information disclosed:

- **36% of goods exports made in 2024** were sales to foreign related parties, totaling approximately **USD 36.8 billion**.
- **32% of national imports** originated from foreign related parties, totaling approximately **USD 26.0 billion**.

Implications for Taxpayers

The announcement confirms that Transfer Pricing remains one of the SII's primary areas of international tax enforcement. In particular, we observe increased scrutiny of:

- Intra-group services.
- Financing arrangements and financial transactions.
- Royalties and intellectual property usage.
- Business restructurings.
- Transactions involving intangible assets.

Moreover, the combination of enhanced risk assessment tools, access to international information, and increased statistical transparency will enable the SII to target future audits with greater precision.

Recommendations

Given this environment, we recommend that multinational groups with operations in Chile:

- Review the consistency of their Transfer Pricing policies with the arm's length principle.
- Assess the robustness of their supporting documentation and Transfer Pricing studies.
- Pay particular attention to intra-group financial transactions, given their prominence in the adjustments identified by the tax authority.
- Monitor profitability indicators and other factors that may be considered by the SII in its risk assessment models.
- Evaluate the consistency among information reported in sworn statements, financial statements, and Country-by-Country Reports (where applicable).

The SII's publication sends a clear signal that the authority will continue strengthening both its audit capabilities and risk assessment tools in the Transfer Pricing area. While the agency continues to promote cooperative compliance initiatives through mechanisms such as Advance Pricing Agreements (APAs), the reported results demonstrate that specialized audits remain a key enforcement tool, particularly in relation to complex transactions with significant tax implications.

Contact us

Marco Macías
Partner
Global Transfer Pricing Services, Tax & Legal
marcomacias@kpmg.com

Felipe Flores
Managing Director
Global Transfer Pricing Services, Tax & Legal
fsflores@kpmg.com