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Setting Up Guide Chile

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1. Introduction

Chile offers clear rules, openness to trade, legal security, access to talent, and digital platforms like “Tu Empresa en un Día” that simplify procedures.

Englobally is your local partner. We define the optimal structure and manage incorporation, tax registration, labor compliance, and complete accounting and tax setup.

Advantages of Investing in Chile

Stability and regulatory certainty: Chile offers a consolidated tax and corporate framework, supported by strong institutions such as the SII (Internal Revenue Service), the Labor Directorate (a government office responsible for managing labor laws), and the CMF (Financial Market Commission).

Network of treaties and openness: Chile offers multiple FTAs and investment protection mechanisms. You can establish a subsidiary or branch.

Talent and digitalization: Use of electronic signatures (legal digital authentication), online incorporation processes, and direct links to the SII (Internal Revenue Service), banks, and permits via the Business and Companies Registry (RES, a national company records system).

Favorable business climate: standardized incorporation and tax registration procedures.

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2.Legal Entity Types

Legal Structures Commonly Used by Multinationals

- **SpA (Simplified Stock Company):** Flexible; can have a single shareholder (individual or entity, local or foreign). Capital is divided into shares, which facilitates simple corporate governance.
- **Ltda. (Limited Liability Company):** 2 to 50 partners; liability limited to contributions; more rigid social contract than a SpA.
- **S.A. (Corporation):** Can be "closed" or "open" (listed or supervised by the CMF). More formal governance rules; suitable for structures with multiple shareholders or financing goals.

Comparative Table:

Criterion	SpA	Ltda.	S.A. (closed/open)
Shareholders	1 or more (individual or legal entity, local or foreign)	2 a 50 partners	2+ shareholders for S.A. (open S.A. is supervised by CMF)
Minimum capital	None required	None required	None legally required (market/regulatory demands may apply for open S.A.)
Liability	Limited to contribution	Limited to contribution	Limited to contribution
Operational flexibility	**High (flexible bylaws)**	Medium (more rigid)	Medium/low (formal governance)
Multinational suitability	**Very high (control, speed, sole shareholder)**	Medium (for limited joint ventures)	High (for complex or investor structures)

Sources: InvestChile (cap. "Setting up a company"), marco legal S.A./SpA; RES. (investchile.gob.cl)

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3.Documentation Required Before Starting

Reunir la documentación correcta desde el inicio facilita la constitución y evita demoras ante notarios, el Registro de Comercio o el Servicio de Impuestos Internos (SII).

A continuación, se detallan los principales documentos requeridos, diferenciados por tipo de constituyente y modalidad.

1. Personal Documents of Shareholders

- Valid passport or ID.
- Chilean RUT (Rol Único Tributario, the national tax ID number) or provisional RUT (for non-residents).
- Notarized power of attorney if represented in Chile.
- Advanced Electronic Signature (FEA, Firma Electrónica Avanzada) – a legally valid digital signature, mandatory for online incorporation.

2. Documents of the Parent Company (if applicable)

- Certificate of legal existence issued by the home-country authority.
- Copy of current bylaws or articles of incorporation.
- Notarized power of attorney granted to the Chilean legal representative.
- Apostilled (internationally authenticated) or legalized documents, translated into Spanish if needed.

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3. Documentation Required Before Starting

3. Information for Drafting Bylaws or Form

- Corporate name.
- Legal and tax address in Chile.
- Corporate purpose (main activity).
- Initial capital and contribution form (cash or assets).
- Ownership structure and share percentages.
- Appointment of administrators or legal representatives.

4. Documents After Incorporation

- Registration certificate from the Commercial Registry (public company records) or RES certificate ('Tu Empresa en un Día,' a digital company registration system).
- Publication in the Official Gazette (only for the traditional route).
- Definitive RUT (Rol Único Tributario, national tax ID) and business start notification (Form F-4415) before the SII (Internal Revenue Service).
- Municipal business license.
- Registration of labor contracts in the Labor Directorate's "MiDT" platform (MiDT is the official system for registering employment contracts in Chile).

For foreign companies, prepare apostilled parent company documents and appoint a local legal representative in advance. These steps usually take the longest.

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4. How to Set Up a Company Step by Step

In Chile, companies can be incorporated in two ways: Traditional public deed, or Online through “Tu Empresa en un Día.” Both methods are valid but differ in formality, timing, and acceptance by third parties.

A. Traditional Incorporation (Public Deed)
Foreign and multinational companies still prefer this option. It offers greater traceability, contractual flexibility, and notarial backing.

Main steps:

- Drafting and signing the public deed before a notary, including bylaws, purpose, capital, and appointment of representatives.
- Registration of the extract in the corresponding Commercial Registry.
- Publication of the extract in the Official Gazette within 60 days.
- Obtaining the company’s RUT and filing the start-of-activities form (F-4415).
- Certifying the tax address (must meet SII criteria) to enable electronic tax invoices (DTE, 'Documento Tributario Electrónico').
- Opening a corporate bank account and registering labor contracts with the Labor Directorate.

Advantages for foreign companies:

- Greater legal certainty and bank acceptance.
- Ability to include customized clauses (shareholder agreements, powers, parent control).
- Facilitates translation/legalization of foreign documents.
- Suitable for complex structures (S.A., multi-partner SpA, or subsidiaries with international control).

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4. How to Set Up a Company Step by Step

B. Electronic Incorporation

With “Tu Empresa en un Día,” companies can be fully incorporated digitally. Shareholders complete an online form, sign with an Advanced Electronic Signature, and immediately obtain a legally valid certificate.

Ideal for simple or wholly owned subsidiaries. All partners must have a Chilean electronic signature. Some banks or entities may request extra validation.

General Recommendation:

For multinational or foreign investors, the traditional public-deed method is preferable because it:

- Ensures stronger recognition by banks, notaries, and authorities;
- Eases the inclusion of foreign documents and non-resident representatives; and
- Provides better legal control for future modifications.

The online route is best for simple local projects, single-shareholder subsidiaries, or one-person SpAs.

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5. Tax and Accounting Requirements

- **Before the SII (Servicio de Impuestos Internos, Chile's Internal Revenue Service):**
  - RUT (Rol Único Tributario, tax ID) registration and business start (Form F-4415).
  - Issuance of Electronic Tax Documents (DTE, Documento Tributario Electrónico).
  - The Electronic Purchases and Sales Registry (RCV, Registro de Compras y Ventas) replaces old accounting books.

- Electronic Accounting Books:
  - Registration as an electronic books issuer (for Journal/Ledger, i.e., accounting records kept digitally).
  - Mandatory submissions: monthly RCV and annual summaries.

- Legal Representation and Tax Address:
  - A legal representative (an individual with the legal authority to act on behalf of the company) must reside in Chile and hold a power of attorney (a formal document granting legal authority).
  - Proof of tax address (official company address for tax purposes) must meet SII (Internal Revenue Service) documentation standards.

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6.Common Mistakes When Establishing in Chile

- Underestimating notary and registry timelines (traditional route).
- Choosing an unsuitable structure (e.g., Ltda., too rigid for dynamic corporates).
- Ignoring local labor rules (such as deadlines for registering employment contracts and using the MiDT, the official labor registration platform).
- Omitting SII requirements (address, RUT, RCV/e-books).
- Poor banking/compliance planning (KYC for corporate accounts).

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7. Englobally's Support

- Structure design: choosing between SpA/Ltda./S.A. or branch, assessing governance, control, and tax projection.
- End-to-end incorporation: traditional or online, RUT, business start, domicile, and banking setup.
- Labor onboarding: MiDT registration, social security setup.
- Operational continuity: accounting, payroll, SII/Labor compliance, and reporting to headquarters.

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8. Contact us

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