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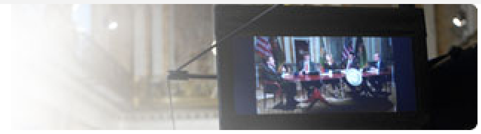

Treasury Announces Conclusion of Tax treaty Negotiations with Chile

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TG-513

WASHINGTON – Consistent with its efforts to expand the U.S. tax treaty network in South America, the U.S. Department of the Treasury announced today the conclusion of the negotiation of a comprehensive bilateral income tax treaty with Chile.

The new tax treaty would provide certainty and stability of tax treatment for U.S. and Chilean cross-border investors. The new tax treaty also provides for reductions in source-country taxation of cross-border payments of dividends, interest, and royalties; the full exchange of information between the tax authorities of the United States and Chile; and a comprehensive limitation on benefits provision aimed at preventing the abuse of the tax treaty by third-country investors.

The new tax treaty with Chile is scheduled to be signed by both countries in February. If approved by the U.S. Senate, the treaty with Chile would be only the second U.S. tax treaty with a South American country.

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