



**Serviap Global**

# Chile Country Facts 2025





# Contents

Facts to consider before expanding your business

The economy

The importance of small and medium-sized companies

Opportunities and Investments of Chile Market

3

Characteristics of the Chilean population

Consumer preferences

Economic opportunities

Chile's culture

# Chile Country Facts

Chile is considered one of the best places in the world to do business. It has more free trade agreements than almost any other nation, except Singapore. With a long-standing free-market orientation, Chile offers excellent commercial opportunities for U.S. products and services.

## 1. Facts to Consider Before Expanding Your Business

Before building your business expansion strategy, you need to know the economy, business laws, legal framework, and Chile's working culture. SERVIAP gives you high-level facts to understand the risks and opportunities of doing business in Chile.

## 2. The Economy

Chile has a market-oriented and high-income economy, ranked by the World Bank among the most prosperous in Latin America. It leads the region in competitiveness, income per capita, openness to global markets, economic freedom, and a relatively low perception of corruption.

In recent years, Chile has faced challenges such as slowing economic growth and social unrest (2019), but continues to be a top performer in the region with a strong institutional framework and active participation in international trade.

## 3. The Importance of Small and Medium-Sized Companies

Small and medium-sized enterprises (SMEs) are vital to Chile's economy, representing about 98% of companies and generating over 65% of employment.

4

Chile's economic performance over the past three decades has been built on strong fiscal discipline and openness to international markets. Despite external shocks (e.g., the global financial crisis, the COVID-19 pandemic), Chile has maintained macroeconomic stability. Its SME sector plays a key role in innovation, exports, and employment distribution.

## 4. Opportunities and Investments in the Chilean Market

Chile's economy is one of the most open and stable in Latin America. The country has an extensive network of 30+ free trade agreements with over 60 countries, including the U.S., EU, China, and regional partners.

It has an A- credit rating (S&P, 2023) and remains an attractive destination for foreign investment due to its transparency, legal certainty, and competitiveness.

Priority sectors include mining (copper, lithium), renewable energy (solar, wind, green hydrogen), technology, and infrastructure development.

## 5. Characteristics of the Chilean Population

### Demographics

As of 2025, Chile has a population of approximately 19.9 million people. Population growth has slowed due to declining birth rates, and demographic projections show a gradual aging of society. By 2050, the population is expected to reach around 20.6 million.

Chile has a highly urbanized society (over 87% living in cities), with Santiago concentrating about 40% of the population.



## 6. Consumer Preferences

Chile's GDP per capita (PPP) is approximately USD 29,600 (World Bank, 2023). The average monthly salary for full-time employees is around CLP 757,000 ( $\approx$  USD 820), though this varies significantly by industry and region.

Inflation has been relatively high in recent years (12.8% in 2022; 7.1% in 2023), which has affected purchasing power.

Chilean consumers prioritize price but increasingly value quality, durability, and customer service. E-commerce has expanded rapidly, especially post-pandemic, with over 60% of Chileans making online purchases in 2024.

### Payment methods:

- Debit cards remain the most widely used ( $\approx$  60%).
- Credit card usage is growing, representing around 40% of transactions.
- Digital wallets and mobile payments (such as MercadoPago and MACH) are expanding quickly.

## 7. Economic Opportunities

### Workforce and Laws

**6**

- Chilean labor laws strictly prohibit discrimination during recruitment and require employers to evaluate candidates only on job-related qualifications.
- Job seekers are increasingly using online recruitment platforms and freelancing portals, although unemployment has been fluctuating ( $\approx$  8.5% in early 2025).
- Chile is known for a relatively well-regulated labor market compared to regional peers, though labor costs are higher than in most Latin American countries.

### Human Talent

- Chile has a strong educational system, with high enrollment in tertiary education. Over 80% of students are in private institutions.
- The workforce is considered highly skilled and reliable, particularly in sectors such as engineering, mining, IT, and finance.
- The government continues to invest in digital skills and innovation programs to strengthen competitiveness.

### Technological Ecosystem

Chile leads Latin America in the Global Innovation Index and has become a hub for startups and technology investment. It is also ranked among the top 15 worldwide for renewable energy potential, with strong government incentives in green hydrogen and solar energy.

### Facilities for Foreign Investment

Chile offers transparent and non-discriminatory investment policies, supported by its extensive free trade network, stable macroeconomic system, and high-quality infrastructure. Foreign investors benefit from legal certainty, low levels of risk, and government incentives in priority sectors.

## 8. Chile's Culture

Chile's population is ethnically diverse but relatively homogeneous compared to other South American nations. Around 45% have European ancestry, 45% Indigenous and Mestizo background, and a small percentage are of African or other origins.

Only about 10% identify as Indigenous, primarily Mapuche, whose traditions still influence modern Chilean culture.

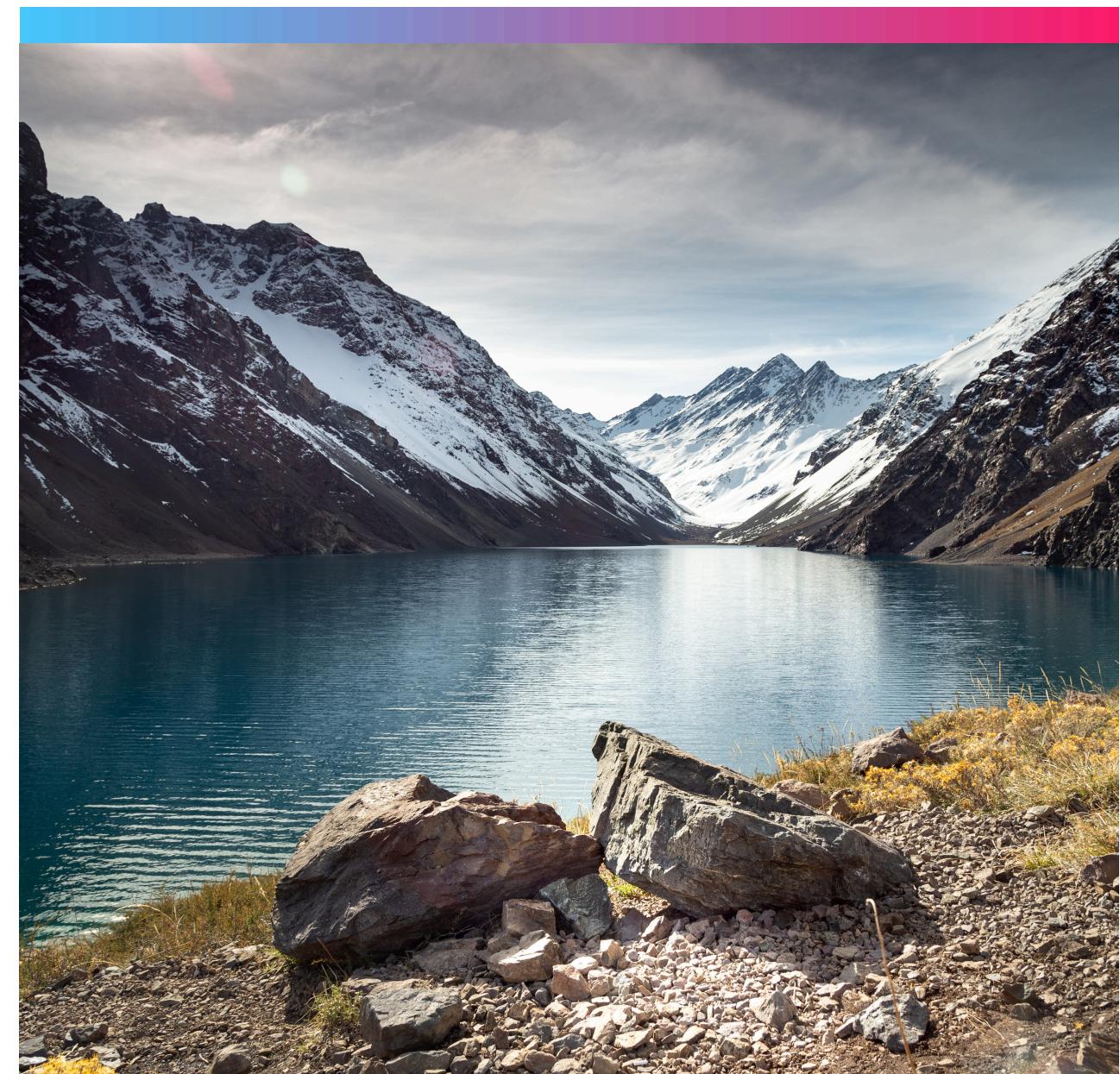
### Language and Identity

- Spanish is the official language, though Mapudungun, Quechua, Aymara, and Rapa Nui are recognized as minority languages.
- Chilean Spanish has distinctive pronunciation and intonation compared to neighboring countries.
- Religion: Around 60% identify as Roman Catholic, 15% as Protestant, while 25% are religiously unaffiliated.

### Geography

Chile stretches from the Atacama Desert in the north to Cape Horn in the south, covering three continents: South America, Oceania (Easter Island), and Antarctica.

Its territory averages 177 km (110 mi) wide between the Pacific Ocean and the Andes Mountains. The landscape includes fertile central valleys, deserts, glaciers, and archipelagos, making Chile one of the most geographically diverse countries in the world.





## General Highlights

Item	Information
Year	2025
Country	Chile (CL, CHL)
Capital	Santiago de Chile
Num. States / Provinces	16 regions
Principal Cities	Santiago de Chile, Valparaíso, Concepción, La Serena, Antofagasta
Language	Spanish
Local Currency	Chilean Peso (CLP)
Major Religion	Catholic (majority), with significant Protestant and unaffiliated population
Date Format	DD/MM/YYYY
Thousands Separator Format	999,999.99
Country Dial Code	56
Time Zone	Chile Standard Time (CLT) UTC -4; Daylight Saving Time (CLST) UTC -3 (Sept–Apr). Easter Island: UTC -6 (standard), UTC -5 (DST).
Population	~19.9 million (2025 est.)
Border Countries	Peru (north), Bolivia (northeast), Argentina (east)
Continental Surface	755,776.4 km <sup>2</sup>
Tax Year	January 1 – December 31
VAT %	19%
Minimum Wage (May 2025)	- General (18–65 years): CLP \$529,000 - Workers <18 or >65 years: CLP \$394,000
Taxpayer	National Single Role – RUN (Rol Único Nacional) / Single Tax Role – RUT (Rol Único Tributario)
Current President	Gabriel Boric Font (since March 2022; term ends March 2026)

## 1. Laws That Regulate Labor Relationships

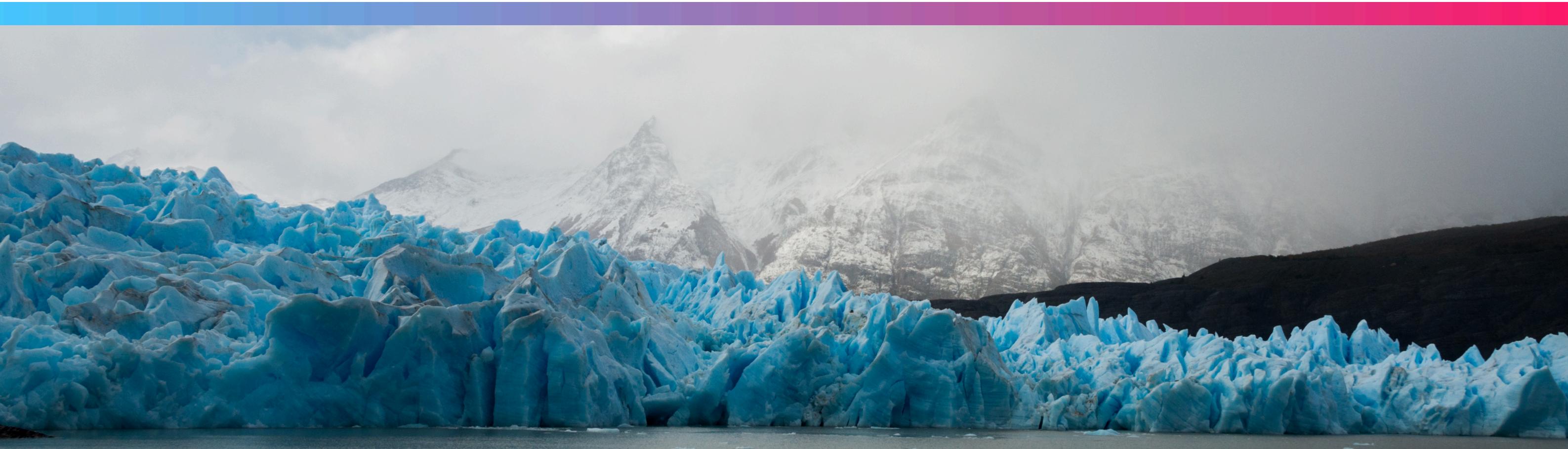
Laws	Brief Description
Political Constitution of the Republic of Chile	The supreme law that governs the economic, social, and political life in Chile.
Labor Code (CT – Código del Trabajo)	Regulates labor relationships between employers and workers, complemented by additional labor laws.
Law 21.015	Promotes the inclusion of people with disabilities in the labor market.
Law 20.545	Modifies maternity protection rules and incorporates the Parental Postnatal Leave.
Law 20.137	Grants work permits for the birth and death of relatives (special leave).
Law 20.012	Provides extraordinary bonuses for lower-income sectors.
Law 20.005	Establishes penalties for sexual harassment in the workplace.
Law 19.728	Establishes mandatory Unemployment Insurance.
Law 16.744	Establishes social insurance against occupational accidents and diseases.

10

## 2. Key Tax and Labor Authorities

Laws / Institutions	Brief Description
Internal Revenue Service (SII – Servicio de Impuestos Internos)	Oversees and provides tax administration services. Responsible for reducing tax evasion and ensuring efficient, equitable, and transparent tax collection.
Ministry of Finance of Chile	Directs Chile's public finances, manages resources, and ensures fiscal stability, transparency, and competitiveness for sustainable and inclusive growth.
National Health Fund (FONASA – Fondo Nacional de Salud)	The public health insurer responsible for collecting, administering, and distributing state funds for health coverage. Provides benefits to all enrolled beneficiaries.
Pension Health (ISAPRES – Instituciones de Salud Previsional)	Private health insurance institutions authorized to manage mandatory health contributions for individuals who opt out of FONASA.
Pension Fund Administrators (AFP – Administradoras de Fondos de Pensiones)	Private entities that manage mandatory pension contributions. Workers deposit a percentage of their salaries into AFP accounts, which finance future pensions.
Disability and Survival Insurance (SIS – Seguro de Invalidez y Sobrevivencia)	A mandatory insurance that protects employees in cases of disability or death, ensuring benefits for the worker or their family.
Social Security Institute (IPS – Instituto de Previsión Social)	Administers social security benefits, including family allowances and pensions, and manages the "ChileAtiende" citizen service network.

11



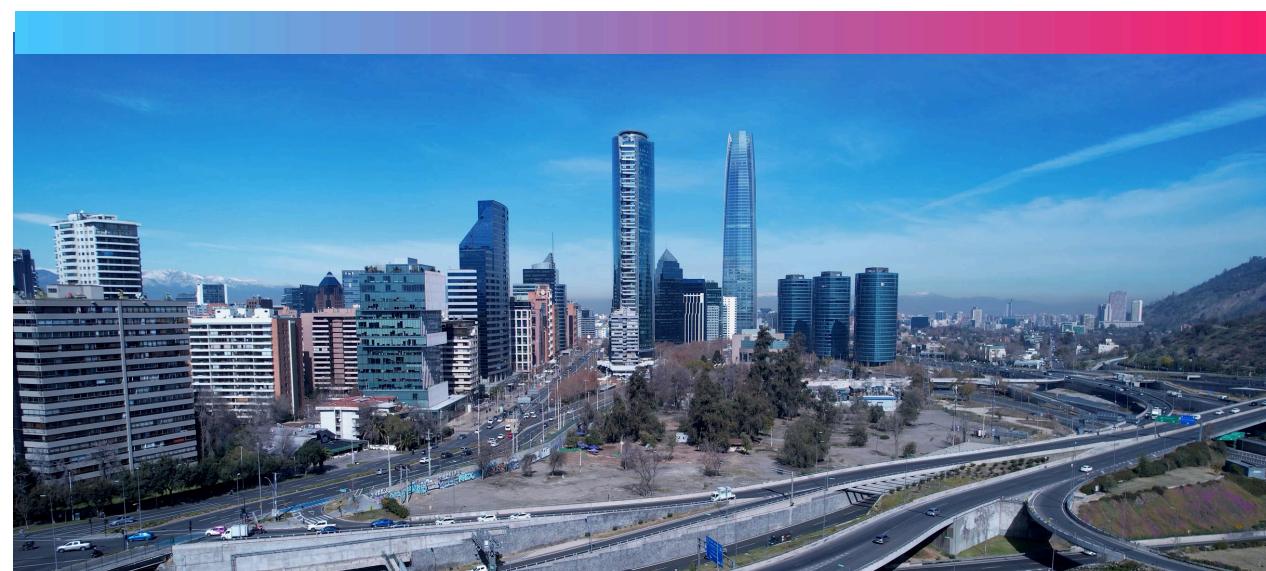
### 3. Labor Contracts

The employment contract is a legal agreement by which the employee commits to providing services under subordination and dependency, and the employer commits to paying remuneration. Employment contracts must be in writing, signed by both parties, and executed within the legal deadlines. Each party keeps a copy of the contract.

#### Types of Contracts

Labor relations may be fixed-term, indefinite, project-based, part-time, or apprenticeship contracts. Unless otherwise expressly agreed, employment contracts are presumed to be indefinite.

Type of Contract	Description
Indefinite Work Contract	Standard employment relationship with no defined end date. A fixed-term contract automatically becomes indefinite when: <ul style="list-style-type: none"> <li>The worker continues providing services after the termination date with employer consent.</li> <li>It is renewed a second time.</li> <li>A worker has been employed under more than two fixed-term contracts, or for 12 months or more within a 15-month period.</li> </ul>
Fixed-Term or Temporary Work Contract	Used for specific and determined tasks, with duration limited to the project or activity. Successive contracts for the same worker cannot exceed two renewals. Beyond this limit, the contract is deemed indefinite. Maximum duration: 1 year (or 2 years for managers/professionals with specialized skills).
Part-Time Contract	Work agreed for no more than two-thirds of the legal workday (max 30 hours/week). Part-time employees enjoy the same rights as full-time workers, but benefits (such as bonuses) are proportional to hours worked.
Apprenticeship Contract	For workers under 21 years old, focusing on training and acquisition of skills. Key rules: <ol style="list-style-type: none"> <li>Apprentices must work only in activities related to the training plan.</li> <li>Contracts follow regulations set by the National Training and Employment Service (SENCE).</li> <li>Duration: up to 2 years, depending on the learning plan.</li> </ol>



12

#### Basic Requirements

The mandatory information that every employment contract must include (Article 10, Chilean Labor Code):

Required Information
Place and date of the contract
Worker's nationality, date of birth, and income details
Nature of the services and the city/place where they will be provided
Amount, form, and period of payment of the agreed remuneration
Duration and distribution of the workday (including shift work rules if applicable)
Term of the contract
Any other agreements mutually established by the parties

### 4. Payroll

#### Statutory Benefits in Chile

Employers are legally obliged to provide workers with benefits established in the Labor Code, in addition to those granted in the employment contract. These benefits aim to improve living conditions, reduce expenses, and promote social and cultural development.

Concept	Description
Salary (Art. 41, Labor Code)	The base salary is the fixed and mandatory remuneration paid in money and equal periods. It may not be lower than the legal minimum monthly wage (CLP \$529,000 as of May 2025). It includes: <ul style="list-style-type: none"> <li>Base salary</li> <li>Overtime pay</li> <li>Commissions (percentage of sales or operations)</li> <li>Profit participation</li> <li>Legal gratification (profit-sharing bonus).</li> </ul>
Legal Gratification (Art. 47 & 52, Labor Code)	Companies with profits must annually distribute to employees at least 30% of net profits. Alternatively, the employer may opt to pay 25% of the employee's annual base salary, capped at 4.75 minimum monthly wages.

13

Concept	Description
Vacations (Art. 67, Labor Code)	Employees with more than 1 year of service are entitled to 15 working days of fully paid annual leave. Variable-pay workers receive vacation pay equal to the average of the last 3 months worked.
Christmas Bonus	Not legally mandated. Many companies provide bonuses voluntarily, often in September (national holidays) and/or December (Christmas).

### Employer's Contribution or Labor Cost

Employers in Chile must contribute to several mandatory social security systems.

Contribution	Description
Disability and Survival Insurance (SIS – Seguro de Invalidez y Sobrevivencia, AFP, SIS)	Paid by employers during the employee's active working life. Covers cases of permanent disability (partial or total) and death (work-related or not). Applies to employees affiliated with an AFP. Rate (2025): 1.53% of taxable income. Benefits: <ul style="list-style-type: none"><li>• Disability pension due to accident or illness.</li><li>• Survivors' pension for the worker's family.</li><li>• Certain pre-existing conditions also covered.</li></ul>
Work Accident and Occupational Disease Insurance (ATEP – Seguro de Accidentes del Trabajo y Enfermedades Profesionales, Law 16.744)	Protects workers against work accidents and occupational illnesses, regardless of whether they have a formal employment contract. Coverage begins from the first day of work. Base contribution rate: 0.93% of taxable income, plus variable surcharges depending on industry/company risk level. Benefits: medical treatment, rehabilitation, and compensation for work-related accidents/diseases.
Unemployment Insurance (Seguro de Cesantía, Law 19.728)	Provides protection in case of unemployment. Mandatory for all dependent workers under indefinite and fixed-term contracts. Employers must register employees with AFC Chile. Rates (2025): <ul style="list-style-type: none"><li>• Indefinite contracts: Employer 2.4%, Employee 0.6%</li><li>• Fixed-term contracts: Employer 3% (employee exempt)</li></ul> Contributions fund the Individual Unemployment Account (CIC) and the Solidarity Unemployment Fund (FCS).





## 5. Workday, Holidays, Disabilities and Sick Days

- The ordinary workweek in Chile must not exceed 45 hours per week, distributed over a minimum of 5 days and a maximum of 6 days.
- Daily shifts may not exceed 10 hours per day (including overtime).
- The workday must include at least 30 minutes of meal break.
- Overtime is paid with a 50% surcharge on top of the regular hourly wage.
- Sundays and public holidays are mandatory rest days (except in specific continuous-service industries).

Type of Workday	Working Hours	Overtime	Sundays
Day Shift	Up to 10 hours/day – 45 hours/week	50% surcharge on regular salary	Mandatory day of rest
Night Shift	Up to 7 hours/day – 36 hours/week	50% surcharge on regular salary	Mandatory day of rest

### Public holidays

Date	Holiday Name
January 1st	New Year's Day
May 1st	Labor Day
September 18th	National Independence Day
September 19th	Day of the Glories of the Army
December 25th	Christmas Day

17

### Sick Leave

- Employees are entitled to paid sick leave upon presenting a medical certificate (Licencia Médica).
- Sick pay is covered by the health insurance provider (FONASA or ISAPRE), starting from day 4 of absence (days 1–3 are unpaid unless absence >10 days).
- In case of work accidents or occupational illness, coverage is provided from day 1 by ATEP (Work Accident and Occupational Disease Insurance, Law 16.744).

## 6. Migration Process

Foreign employees hired in Chile must obtain a Work Visa or a Temporary Residence Permit that allows them to work. Work visas are usually granted for up to 2 years and are renewable. Family members may apply for dependent visas.

The process is carried out at the Chilean Consulate abroad or directly through the Servicio Nacional de Migraciones in Chile.

### Requirements for the Employee:

- Letter from the employer addressed to the Consulate justifying the hiring.
- Work contract (notarized, legalized, and translated if necessary).
- Professional title (if applicable).
- Criminal background certificate.
- Medical certificate.
- Valid passport.
- 4 passport-sized photos.

### Requirements for the Contracting Company:

- Legal incorporation in Chile.
- Proof of registered address.
- Evidence that the contractor's activity is essential for the country's development.
- VAT (IVA) paid for the last 3 months.
- Payroll report/forecast for the last 3 months.

### About the Work Contract:

18

- Must comply with Chilean labor law.
- Must include an express clause on tax obligations (employer responsible for remitting taxes related to employee's income).

## 7. Employee Termination

The employment contract may end in the following cases:

Grounds for Termination	Details
Mutual agreement	By written consent of both employer and employee.
Employee resignation	Requires 30 days' prior notice.
Death of the employee	Immediate termination.
Expiration of fixed-term contract	Upon reaching agreed duration (unless conditions convert it to indefinite).
Completion of project or service	When the contracted work or service is concluded.
Force majeure / fortuitous events	Events beyond the control of parties that make work impossible.

### Termination by Employer – Just Causes (Art. 160, Labor Code)

- Serious misconduct, including:
  - Lack of compliance with duties or repeated negligence.
  - Sexual harassment.
  - Verbal/physical aggression or injuries to employer or co-workers.
  - Immoral conduct that affects company operations.
- Breach of trust / conflict of interest.
- Unjustified absence: 2 or more consecutive days, or repeated absences without justification.
- Abandonment of work.
- Acts or omissions affecting safety or operations.
- Intentional damage to facilities, machinery, or tools.
- Serious breach of contractual obligations.

### Termination for Company Needs (Art. 161, Labor Code)

The employer may terminate employment for economic or organizational reasons, such as:

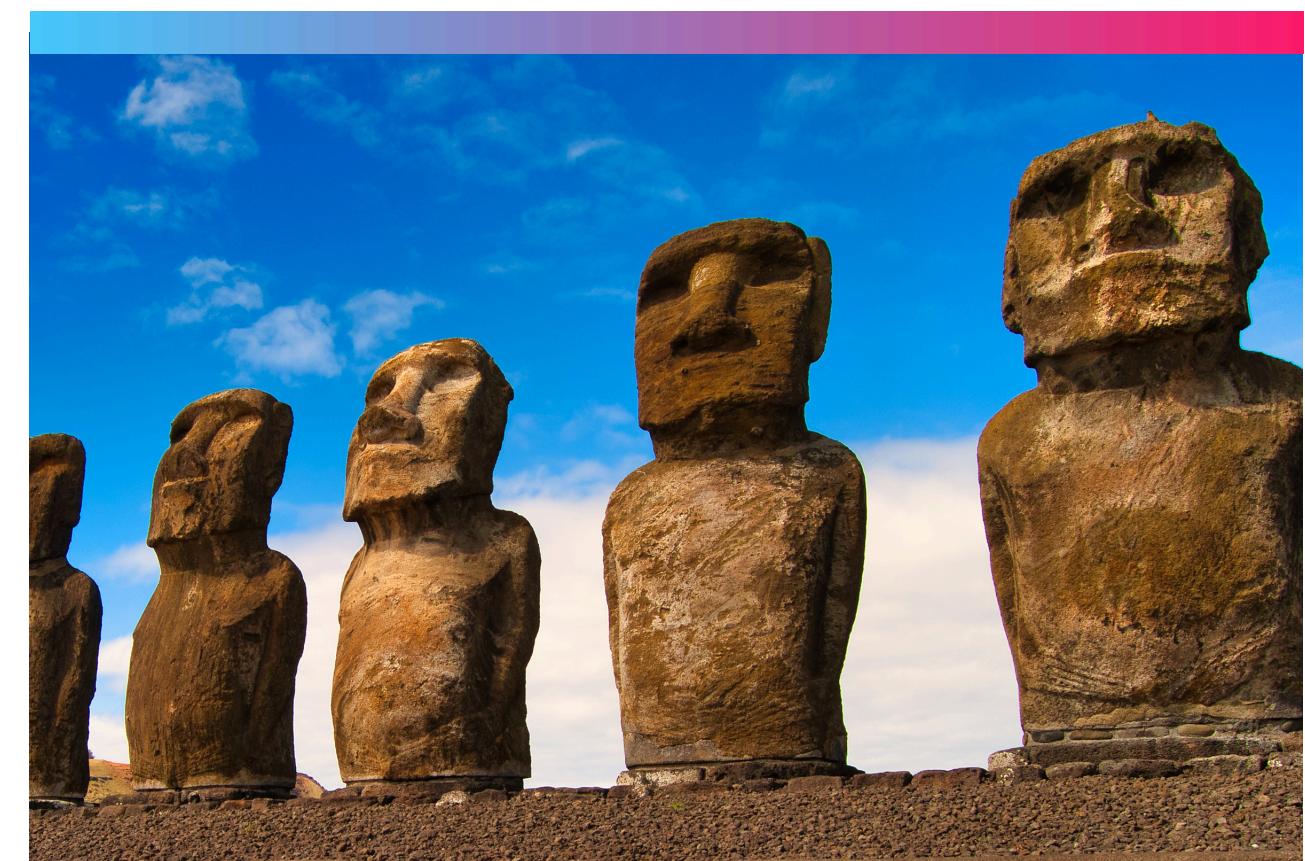
- Low productivity.
- Market changes.
- Restructuring requiring reduction of personnel.

In these cases, employees are entitled to severance pay, generally calculated as 1 month of salary per year of service, capped at 11 months, based on the last monthly remuneration.

### Labor Termination Settlement

19

- Employees with  $\geq 1$  year of service terminated under Art. 161 (company needs) are entitled to:
  - 1 month of last salary per year of service, fraction  $> 6$  months = 1 full year.
  - Cap: 11 months (not 330 as in old text).
- Employer must also pay accrued vacation.
- Fixed-term contracts may be ended early with compensation of 2.5 days of salary per worked month (Art. 163).



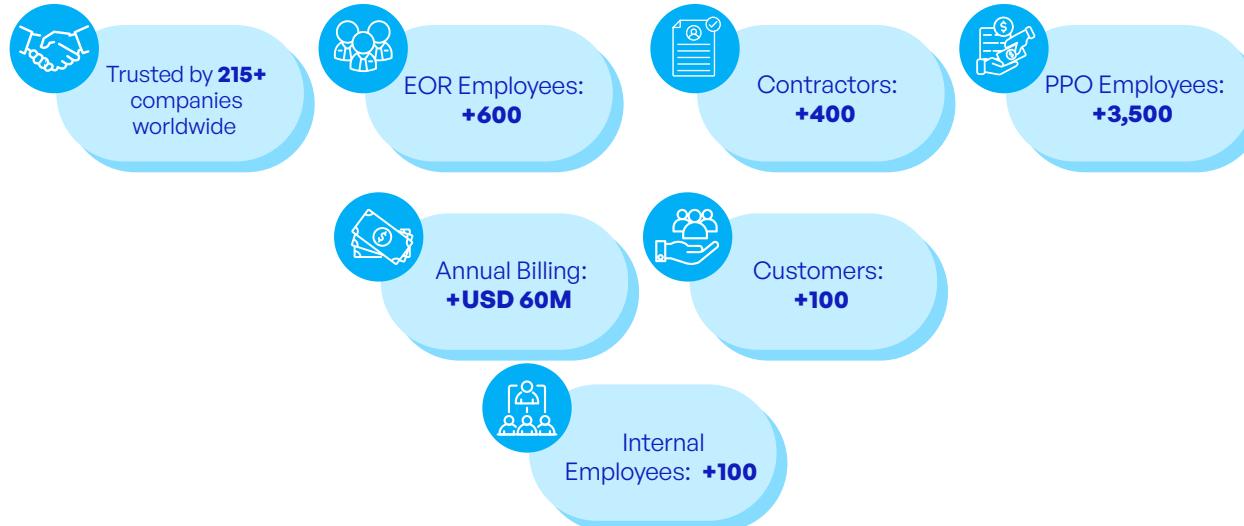


# How Serviap Global Supports Your Expansion

## Who we are?

Serviap Global, headquartered in Mexico City, brings over 25 years of local HR expertise and **15 years as a global Employer of Record (EOR) leader**.

With teams across the Americas, Europe, and Asia, we help companies build international teams without the complexity of foreign entities or regulations.



## Our Solutions

22

At Serviap Global, we provide comprehensive HR and workforce solutions to help companies expand and manage teams anywhere in the world.



## How We Help You Hire and Onboard Talent

At Serviap Global, we simplify your international hiring process by managing every step, from contract creation to onboarding, ensuring full legal compliance in each country.

Below is an overview of our standard onboarding process for new hires, whether local or foreign:

Step	Description	Estimated Timeframe
<b>1. Validate Onboarding Data</b>	We verify candidate information and prepare the Service Order for client review.	2 business days
<b>2. Formalize Service Order &amp; Payment</b>	The process begins once the Service Order is signed and advance payment is received.	2 business days (depending on client response)
<b>3. Create Onboarding Documents</b>	Draft job offer and employment contract.	1-2 business days
<b>4. Send Documents to Candidate</b>	Deliver approved documents to the candidate.	1 business day
<b>5. Candidate Response</b>	Candidate reviews, signs, and provides personal documentation.	2-4 business days
<b>6. Confirm Acceptance &amp; Finalize Onboarding</b>	Receive signed documents and complete onboarding.	1 business day

Please note: timelines may vary depending on country-specific requirements such as background checks, pre-employment medical exams, or visa processing.

## Why partner with us?

- 15+ Years of Expertise:** Proven track record in global expansions across 180+ countries.
- LATAM Specialists:** Deep local knowledge for seamless hiring in high-growth regions.
- Full Compliance & Agility:** Handle regulations so you can focus on business growth.
- Human-Centred Support:** Multilingual team provides personalized, responsive service.
- Cost-Effective Solutions:** Save on setup and operations with tailored, scalable plans.
- All-in-One Platform:** Serviap Hub for total control and visibility.
- Client-Driven Success:** 4.7/5 satisfaction, trusted by 215+ companies.
- Value Differential:** Unlike competitors, we combine tech with human expertise for faster, more reliable global expansion.



## **Serviap Global**

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