Santiago, April 22nd, 2026.

The Day After: Presidential Measures Announced

We hereby provide a summary of the measures announced by the President on national broadcast on April 15th, 2026, and presented today to the National Congress.

After several weeks of issuing decrees in exercise of his regulatory power, President José Antonio Kast announced on national broadcast the submission to Congress of the "National Reconstruction" bill: a package of over 40 measures constituting the first major economic initiative of his administration.

The focus is on restoring economic growth, improving competitiveness, reestablishing Chile as an attractive country for investment, and generating formal employment. After years of lowered performance, the private sector is positioned as the principal driver of the economy.

The key pillars for companies and investors (domestic and foreign) are the following:

a) Tax competitiveness:

Constitutes of tax reform oriented to improve the tax treatment of companies. It consists of:

- Gradual reduction of Impuesto de Primera Categoría (Business Profit Tax) from 27% to 23%, to lower the Chilean corporate burden to international standards and improve the relative position of the country as an investment destination.
- Gradual reintegration of the tax system, allowing corporate income tax to be fully creditable to personal taxes of the owners, removing international double taxation over distributed profits. With that, partners or shareholders can impute 100% of the credit from Business Profit Tax paid by their companies. Nowadays, the imputation rate is capped at 65%.
- The establishment of a tax invariability regime of up to 25 years for long-term investment projects, providing greater certainty regarding future tax burdens for both domestic and foreign investors. This measure effectively reinstates, in expanded form, the former DL 600 regime, now also applicable to domestic investors.

According to the information, these measures will affect a universe of companies that account for most of the formal employment and private investment in Chile and seek to promote the reinvestment of profits and long-term investment.

Overall, this does not appear to be a particularly bold reform, as it largely seeks to reverse public policies that have adversely affected the country's competitiveness over the past decade.

b) Strengthening formal employment:

This point refers to the labor market through the creation of a tax credit for wages paid, intended to incentivize employers to retain and increase formal employment.

Its objective is:

- Reduce the cost of formal hiring.
- Provide liquidity to the productive sector.
- Incentive for formal employment, with special impact on small and medium companies.

The measures aim to compensate for the increase in costs and risks of contracting, resulting from recent legislative changes such as the new 40-hour law, the pension law, and the Karin law, among others.

In summary, the government chose to compensate for the largest structural employment cost in Chile.

c) Regulatory facilitation and permitting

A third key point, and the most awaited by the production field, is simplifying regulations, especially regarding permits in process.

The announced measures include:

- Reduction of processing times within the Environmental Impact Assessment System.
- Reduction of the administrative invalidation period for granted permits from two years to six months.
- Limitations on the suspension of projects through extensive precautionary measures; and
- The establishment of a reimbursement mechanism for costs incurred in the event of revocation of duly granted permits.

These initiatives aim to improve both the feasibility and certainty of executing investment projects and to encourage large-scale business initiatives, particularly in sectors such as mining, energy, public works, and construction.

They represent a set of novel, pragmatic measures to address the country's significant permitting constraints.

d) Public expenditure containment and fiscal discipline

The bill also includes measures aimed at rationalizing public expenditure, conducting audits, and implementing institutional adjustments, as well as a voluntary retirement incentive plan for public sector employees that triples the current number of available positions.

This pillar further includes specific measures to address abuses of medical leave and grants the Chilean Internal Revenue Service (SII) enhanced enforcement powers.

e) Temporary tax incentives to attract capital

Additional complementary measures of interest to business owners and high-net-worth individuals include:

- A 50% reduction in tax on reported donations made within the next 12 months; and
- A temporary regime for the regularization of foreign income and assets, subject to a one-time tax of 10%, or as low as 7%, provided that such funds remain invested in Chile.

The stated objective is to restore fiscal order, achieve annual economic growth of 4%, and reduce unemployment to 6.5% by 2030.

Next steps

The bill is expected to be formally introduced to Congress in the coming days. Its prospects will depend on the government's ability to secure legislative majorities and to avoid a potential constitutional challenge before the Constitutional Court, where a majority of justices are aligned with the political opposition.

From a business perspective, the presidents of SOFOFA, the National Chamber of Commerce, and the CPC have already welcomed the initiative as "a clear signal of a pro-growth and pro-investment agenda." Its actual impact will, naturally, depend on its final wording and the urgency with which Congress processes it.

After years of low growth and political uncertainty, Chile is once again making a determined commitment to economic expansion, grounded in stable rules, a reduced tax burden, and a State that recognizes private initiative as the true engine of the economy. For investors—both domestic and foreign—this is not merely a policy package; it is a concrete invitation to revisit shelved projects and to take early strategic positions.

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