This procedure covers all taxes, tax collection, amounts, charges, payments and withholdings applicable to Empresas CMPC and its subsidiaries.

Applicable tax legislation shall be fully and timely complied with in each Jurisdiction where CMPC operates, without exceptions of any kind.

Any tax analysis or issue shall be evaluated and approved by CMPC’s Tax Department prior to its implementation and, depending on its materiality, shall also be approved by the Director of Administration.

Tax returns will be managed in a timely and accurate manner.

Tax payments will be calculated accurately, according to applicable local regulations and without exceeding established deadlines.

Professional diligence and good judgment criteria will be applied to sustain decisions in tax matters.

Sometimes tax returns will include elements on which correct tax treatment may be subject to different interpretations. When proper interpretation of a specific element cannot be clearly established, or an estimate may be needed, calculations involved and criteria for the decision will be subject to a risk assessment carried out by the respective tax areas. When a decision is made on the tax treatment to be applied to the tax return, said decision shall be duly supported and shall be approved both by the CMPC Tax Department and by the Director of Administration before filing the return.

When different options exist, the most efficient approach in tax terms shall be chosen, always maintaining due prudence criteria and strict adherence to current tax regulations. Facts and circumstances shall be documented in detail and a record will be kept of the conclusions and associated risks at the time of the transaction.
Transactions between CMPC subsidiaries shall comply at all times with transfer price regulations, OECD rules and general application procedures developed by Empresas CMPC for this type of operation. This principle seeks to ensure that the determined prices fairly remunerate the participation of each subsidiary in the value chain.

Each intercompany transaction must be supported by an economic background. In this regard, transactions carried out with subsidiaries located in jurisdictions with low tax rates, whose sole or main objective is reducing the tax burden, will not be acceptable.

Tax decisions entailing a change in judgement, the use of new tax exemptions, the definition of the tax defense strategy before audits and, in general, all those activities representing a change in the way the subsidiary operates shall be approved by CMPC’s Tax Department Head and by the Director of Administration.