



**BUSINESS &  
INNOVATION HUB**  
#1 IN LATAM

# GLOBAL SERVICES



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## URUGUAY | #1 BUSINESS & INNOVATION HUB IN LATAM

Uruguay has an unbeatable background for **political, social and macroeconomic stability** that helps global companies flourish and grow.

In 2024 the country reinforced its position as a **leading nation in democracy, low corruption, rule of law and civil liberties**.

On top of that, an **open business environment**, good economic performance over the last decade and **comprehensive regulatory framework** have contributed to Uruguay being a reliable investment destination.

Due to its **strategic location, state-of-the-art infrastructure and intermediate time zone**, Uruguay is also a very attractive destination for companies willing to access a market of more than 400 million people in Latin America.

Uruguay's education ecosystem assures access to **qualified talent**, renowned for its ability to master foreign languages and easily adjust to changing circumstances.

Finally, Uruguay offers an unrivalled **quality of life** with cities open to native and newcomers alike with a wealth of culture and a safe, peaceful environment.

To know more about Uruguay and discover why it can be the right fit for your business, step up to Uruguay's value proposition section.



**UNIQUE COMBINATION OF ATTRIBUTES**

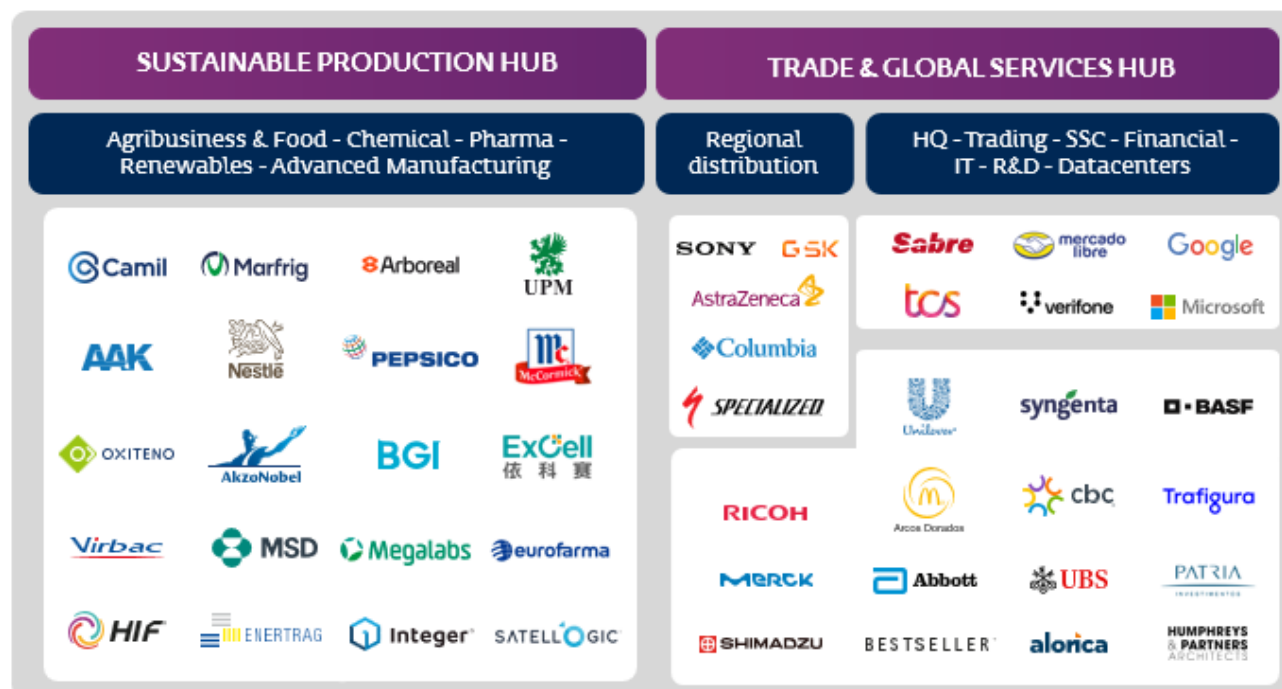
<b>Reliability &amp; Certainties</b>	<ul style="list-style-type: none"><li>• Stability - Transparency</li><li>• Sustainability - ESG</li><li>• World class infrastructure</li></ul>
<b>Easy for business</b>	<ul style="list-style-type: none"><li>• Markets &amp; Clients access</li><li>• Financial freedom &amp; Incentives</li><li>• Innovation ecosystem</li></ul>
<b>Talent &amp; Lifestyle</b>	<ul style="list-style-type: none"><li>• Multilingual - Flexible - Creative</li><li>• Peaceful - Diverse - Safe</li></ul>

 **BUSINESS & INNOVATION HUB**  
Uruguay #1 IN LATAM



## BUSINESS OPPORTUNITIES & KEY INDUSTRIES

As a hub for business and innovation, Uruguay offers opportunities and showcases success stories based on two key models: *global business services* and *sustainable production*.



Within the global business services (GBS) model, leading companies such as Alorica, BASF, Merck, Sabre, Tata Consultancy Services, Trafigura, and Willis Towers Watson have chosen Uruguay as a hub for centralized operations. These include customer service, supply chain, sales, IT development, and trading, as well as back-office functions such as finance, accounting, and human resources.

Many of these companies operate under more than one of the following business platforms.

**GLOBAL BUSINESS SERVICES (GBS)** represent the most widespread model, encompassing a wide range of functions. In Uruguay, Shared Services Centers (SSCs) primarily perform activities such as supply chain services, finance and accounting (F&A), human resources, fraud control, marketing support, customer service, legal support, treasury, among others. These services may be delivered in-house by the companies themselves through captive centers (e.g.: Merck, Ricoh, BASF, Finning – CAT, Altisource, RCI), or outsourced to third-party providers, such as TCS, Alorica, Atento, and Ingenious Americas. Uruguay’s **skilled and multilingual talent pool**, coupled with a **strong track record in services exports** and **attractive incentive programs**—including tax exemptions and training subsidies—make the country a **competitive and reliable location for GBS operations**.

**REGIONAL HEADQUARTERS.** Uruguay is steadily consolidating its position as a “LATAM Headquarters” destination. The country’s high quality of life, along with a **favorable regulatory environment for holding and corporate activities**, offers ideal conditions for centralizing senior

regional roles. Companies such as *Arcos Dorados*, *Megalabs*, *Pluspetrol* and *Unilever* already operate their regional headquarters from Uruguay, taking full advantage of the benefits offered by this model. These include **flexible corporate structures, access to double taxation treaties, and a competitive tax framework for foreign-sourced income and holding activities.**

**REGIONAL DISTRIBUTION CENTERS.** Uruguay has established itself as a **strategic transit hub** for international trade, offering significant customs, operational, and geographic advantages. The main benefits of setting up a regional distribution center in the country include **regional inventory consolidation, minimal lead times, and deferred import taxes.** Operations such as goods in transit (cross-docking) and value-added services tailored to customer needs (postponement) are commonly carried out. To perform these operations and access the associated tax benefits—such as exemption from customs duties and local taxes on goods in transit—it is not mandatory to establish a local legal entity. **Foreign companies can set up their own distribution centers or operate through specialized third-party logistics providers (3PLs).** International brands in sectors such as technology, spare parts, apparel, and pharmaceuticals have chosen Uruguay for these operations—examples include *Sony*, *Specialized*, *Columbia*, *AstraZeneca*, and *GSK*.

**TRADING.** By centralizing commercial activities in Uruguay—whether or not the goods or services physically transit through the country—companies can optimize operations and significantly reduce tax costs. **Trading activities involving both goods and services are subject to an effective income tax rate of less than 1%.** This incentive applies to both intra-company transactions and procurement operations (such as plant supplies or services for regional affiliates). Companies such as *Syngenta*, *Louis Dreyfus Co.*, *COFCO*, *Trafigura*, *Abbott* and *CBC* have chosen Uruguay as a base for trading operations, supported by commercial, administrative, and logistics coordination teams.

**RESEARCH & DEVELOPMENT.** Uruguay has a robust and growing innovation ecosystem, supported by a mature IT sector and a dynamic biotechnology industry—both focused on the **development and export of value-added solutions for global markets.** In recent years, the country has strengthened its capacity for problem-solving and go-to-market acceleration with the launch of cutting-edge initiatives such as NewLab and Microsoft's AI & IoT Lab. Uruguay is also **home to a thriving biotech ecosystem**, with **over 150 active research groups**, a solid **network of public and private research institutions**—including the renowned *Institut Pasteur de Montevideo*—and **incubators equipped with state-of-the-art technological platforms.** This combination of talent, infrastructure, and strategic public-private collaboration makes Uruguay an ideal platform for exporting R&D services and open innovation solutions to the region and the world.

## TESTIMONIALS

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### REGIONAL HQ - GBS CENTERS - TRADING & PROCUREMENT



We create chemistry

*'BASF is a company that makes medium- and long-term investments, so the political, economic, and social stability of the countries where it operates is very important. Uruguay, in particular, provides us with excellent conditions to develop our service hub; the education and qualifications of the people, the infrastructure, the connectivity, and the cultural fit of Uruguayans for providing services and connecting with people from other countries. Furthermore, there is great ease in learning and adopting digital tools.'*

*The services sector is evolving and shifting from more transactional services to those that require expertise, adding distinct value. The Montevideo Hub started by providing financial services, and we have expanded into logistics, human resources, legal services, and communications.*

*We also began offering digital services two years ago, and we've had a positive experience, thanks to the qualifications of the people, the ecosystem of companies in the country, the proximity to academia, and other global BASF partners, all of which make possible the integration and agile development needed to provide higher-value services'.*

**Patricia Nunes, Managing Director, BASF Services Americas.**



*'We chose Montevideo for our new regional hub in particular because of the depth of local talent, the mature legal framework, and the stable and secure environment for international businesses. Within Zonamerica, Trafigura has joined an international network of world-class businesses that also need a strong technological base and good infrastructure. In addition, it is located close to countries where we operate in Latin America'.*

**Rafael Pérez, LATAM Shared Service Manager, Trafigura .**



*'When I'm asked why Uruguay, the first answer is always 100% the talent. Uruguayan talent is exceptional and brings unique value that distinguishes it from others.'*

*I'm grateful to be in Uruguay and to be able to provide our services from here because the country offers unique benefits and advantages, and a stable environment for those who want to invest, which is also unique. It is highly valued when working with other countries around the world to have Uruguay's political, economic, and social stability. That's what makes the difference and allows us to position ourselves as a reliable country, where businesses can invest knowing that the rules of the game won't change, that they will experience sustained growth, and that there will be no surprises in the process.*

*The data shows that the sector is truly strong and growing significantly in the country. Furthermore, we've seen that it is a sector resistant to crises. Being part of this sector provides a growth-oriented context; we've grown exponentially in the last three years, going from 10 people to nearly 250 now, and that is clearly made possible by the country and the sector'.*

**Virginia Marotta, Managing Director Uruguay, Hogarth Studios.**



*'Why Uruguay? Stability, certainty, clarity, and flexibility in the sense that it's easy to bring in and take out capital according to the financial needs of the operation.*

*Talent was a very important factor; it is changing, and we must work proactively to maintain this competitive advantage.*

*For Sabre, Uruguay is an impressive success story, with 20 years of sustained operations. Key to this has been continuous access to world-class professionals, not only those based in the country but also those who have come here. We have many team members from Venezuela, Cuba, Argentina, Brazil, Colombia, and India. Montevideo's transformation toward multiculturalism over the past 20 years has enriched us greatly and brought significant value. It's also essential to highlight our close relationship with government and regulatory stakeholders, who help us remove obstacles—another highly valuable asset.*

*Uruguay has a great opportunity to remain relatively small on the global stage yet be the best in the world, which benefits us as a business hub. The opportunity lies in how we can transform ourselves into a center for the world's top professionals'.*

**Guillermo Prosper, Vice President, Finance & Managing Director, Sabre Uruguay.**

## **BPO / KPO SERVICE PROVIDERS**



*'We started working in LAC 2002 and established operations initially in Uruguay. We were 15 and today we are 2,200 people. We do infrastructure, application management, software development, outsourcing of processes and systems, and back-office processing. This is the sort of work which carries a lot of responsibility for our customers.*

*The organizations we work for are very worried about their software being maintained from locations that are predictable, stable, and where the investment they make in sending the software, their knowledge, the IP is well-protected and that they can function 365 days a year, 24 hours a day if necessary. Another consideration why we selected Uruguay was the quality of the human resources. We were very impressed. Today, we are certain that the Uruguayan engineers deserve the reputation they have around the world'.*

**Gabriel Rozman, Former Executive VP - Emerging Markets, TCS.**



**Willis Towers Watson**

*'Uruguay is attractive because it combines a variety of factors that make it an excellent place to invest in creating a hub. On one hand, there are elements like political stability, economic stability, and legal security, which set Uruguay apart in the region. Additionally, the country has advanced technological infrastructure, with high-quality internet access. On the other hand, there are factors related to developing operations within the country: Uruguay offers a highly skilled workforce with strong foreign language proficiency, especially in English, known for its customer orientation and work quality, among other strengths.'*

*I have witnessed the evolution of the shared services sector in Uruguay over the past two decades, as I started working for the company where I still work today when it established operations in the country in 2005. Even then, the sector was beginning to expand, partly driven by the development of various free trade zones across the country, which offer added appeal for foreign investors: they provide tax benefits and facilitate the establishment of foreign companies by offering a supportive framework for many of the essential aspects needed to run a business. Our company set up in a free trade zone, which greatly streamlined the entire process.*

*The sector has seen remarkable growth over the past 20 years. When I first started, there weren't nearly as many large companies established here as there are today. We began with just a small team, and thanks to our strong performance, we were able to grow, diversify, and gradually add new high-value service areas to the company. In other companies within the sector, I've seen exponential growth as well, which has also led other major global companies to see Uruguay in a new light and decide to establish themselves here'.*

**Sofía Jaunsolo, Country Head, Willis Towers Watson Uruguay.**



# THE GLOBAL BUSINESS SERVICES INDUSTRY IN URUGUAY

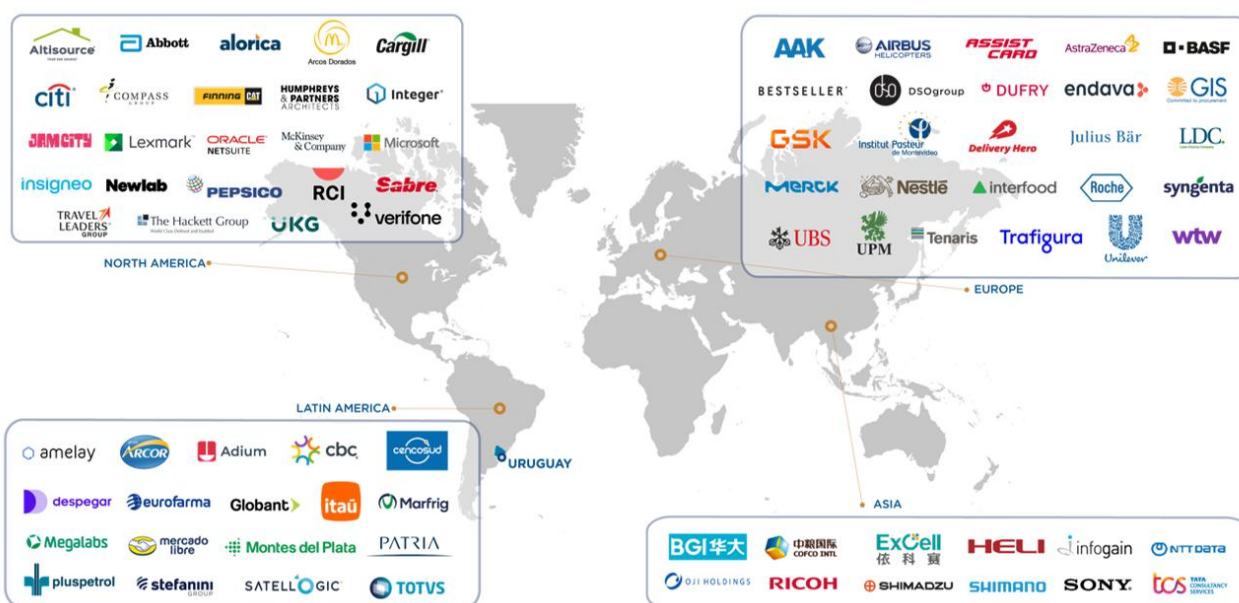
Over **100 GBS centers** -including leading global brands- employ more than **18,500** qualified professionals.

	GLOBAL SERVICES COMPANIES	GBS CENTERS	
# COMPANIES	664	110	17%
HEADCOUNT	34,256	18,775	55%

## GLOBAL BUSINESS CENTERS BY LOCATION

	OUTSIDE FREE ZONES	INSIDE FREE ZONES
# COMPANIES	53	57
	48%	52%
HEADCOUNT	10,324	8,451
	55%	45%

## HUB operations in Uruguay



## KEY PLAYERS

Company	Origin	Year of incorporation	Location	Headcount	Logistics	Commerce & Services	IT
TCS	India	2002	ZA	2,500		✓	
Mercado Libre	Argentina	2011	AP-WTC	1,850		✓	✓
BASF	Germany	2014	NFTZ	1,000		✓	✓
Sabre	USA	2004	ZA	880		✓	✓
Globant	Argentina	2010	AP-WTC	750			✓
Alorica	USA	2011	AP	720		✓	
Delivery Hero	Germany	2010	NFTZ	550		✓	✓
Trafigura	Switzerland	2013	ZA	480		✓	
Oracle	USA	2012	WTC	470		✓	✓
RCI	USA	2005	ZA	420		✓	
Ingenious Americas	USA	2016	AP	380		✓	✓
Sportradar	Switzerland	2010	ZA	360		✓	
Tenaris Group	Italy	2003	NFTZ	315		✓	✓
Syngenta	Switzerland	2016	NFTZ	315		✓	
Adium Pharma	Argentina	2010	ZA	300	✓	✓	
Internova Travel Group	USA	2019	AP	295		✓	
UKG	USA	2017	NFTZ	285		✓	✓
RICOH	Japan	2010	ZA	210	✓	✓	
Pluspetrol	Argentina	2015	WTC	175		✓	
Insigneo Financial Group	USA	2012	ZA	175		✓	
Endava	UK	2012	NFTZ	175			✓
Cobis Topaz	Brazil	2012	NFTZ	165			✓
Despegar	Argentina	2010	ZA	160		✓	✓
Cencosud	Chile	2022	AP	155		✓	✓
Hogarth	USA	2021	AP	150		✓	
Perficient	USA	2021	NFTZ	135			✓
Entain Group	UK	2008	WTC	130		✓	
Merck	Germany	1989	ZA	125	✓	✓	
Finning-Cat	Canada	2003	ZA	100		✓	
COFCO	Hong Kong	2002	WTC	95		✓	✓
Willis Towers Watson	USA	2005	WTC	90		✓	
Deloitte	UK	2001	WTC	80		✓	
Altisource	USA	2009	ZA	80		✓	
Bestseller	Denmark	2014	WTC	70		✓	
Roche	Switzerland	1947	NFTZ	70	✓	✓	
Interfood	Netherlands	2011	WTC	60		✓	
Infogain	India	2022	ZA	60			✓
Louis Dreyfus Company	France	2002	WTC	60		✓	
Aiva TPA Services	China	1994	ZA	50		✓	

Company	Origin	Year of incorporation	Location	Headcount	Logistics	Commerce & Services	IT
Avolta	Switzerland	2010	ZA	50	✓	✓	
Verifone	USA	2006	ZA	50			✓
UBS Financial Services	Switzerland	2011	ZA	50		✓	
PWC	UK	2010	ZA	50		✓	
Assist-Card	Switzerland	1998	ZA	50		✓	
Workplace Options	USA	2022	AP	40		✓	
Humphreys & Partners	USA	2011	WTC	35		✓	
Lexmark	USA	2004	ZA	35		✓	
CBC	Guatemala	2018	ZA	30		✓	
Mundostar Itaú	Brazil	2013	AP	30		✓	
Knight Therapeutics	Canada	2016	WTC	30	✓	✓	
Patria Investimentos	Brasil	2020	ZA	30	✓		
Arcos Dorados	USA	2011	WTC	25		✓	
The Hackett Group	USA	2013	WTC	20			✓

AP - [Aguada Park](#)

PDLC - [Parque de las Ciencias](#)

WTC - [World Trade Center Free Zone](#)

ZA - [Zonamerica](#)

NFTZ - Non-free trade zone territory

## URUGUAY'S VALUE PROPOSITION



### Reliability

Political, social and economic stability  
Free currency and free capital repatriation  
Tax compliance and outstanding benefits

Uruguay has maintained strong political and social stability for many years, underpinned by a **consolidated democracy and a robust rule of law**. The country is recognized for its legal certainty and well-developed institutions – both key factor in driving investment decisions.

### Uruguay leads Latin America in key international rankings



Democracy  
(Economist Intelligence Unit, 2024)

#1



Rule of Law  
(World Justice Project, 2024)

#1



Low corruption  
(Transparency International, 2024)

#1



Social Mobility  
(World Economic Forum, 2020)

#1



Civil Liberties  
(Freedom House, 2025)

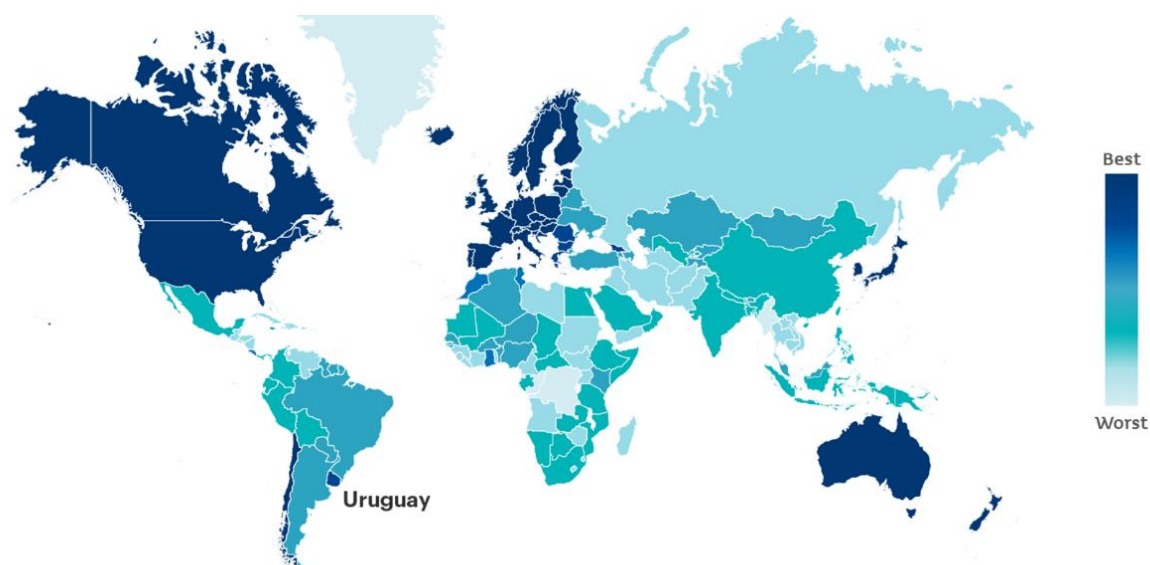
#1



E-Government  
(United Nations, 2024)

#1

Uruguay is also ranked among the world's leading economies for investment according to **ESG indexes, which assess the** quality of governance, as well as social and environmental factors.

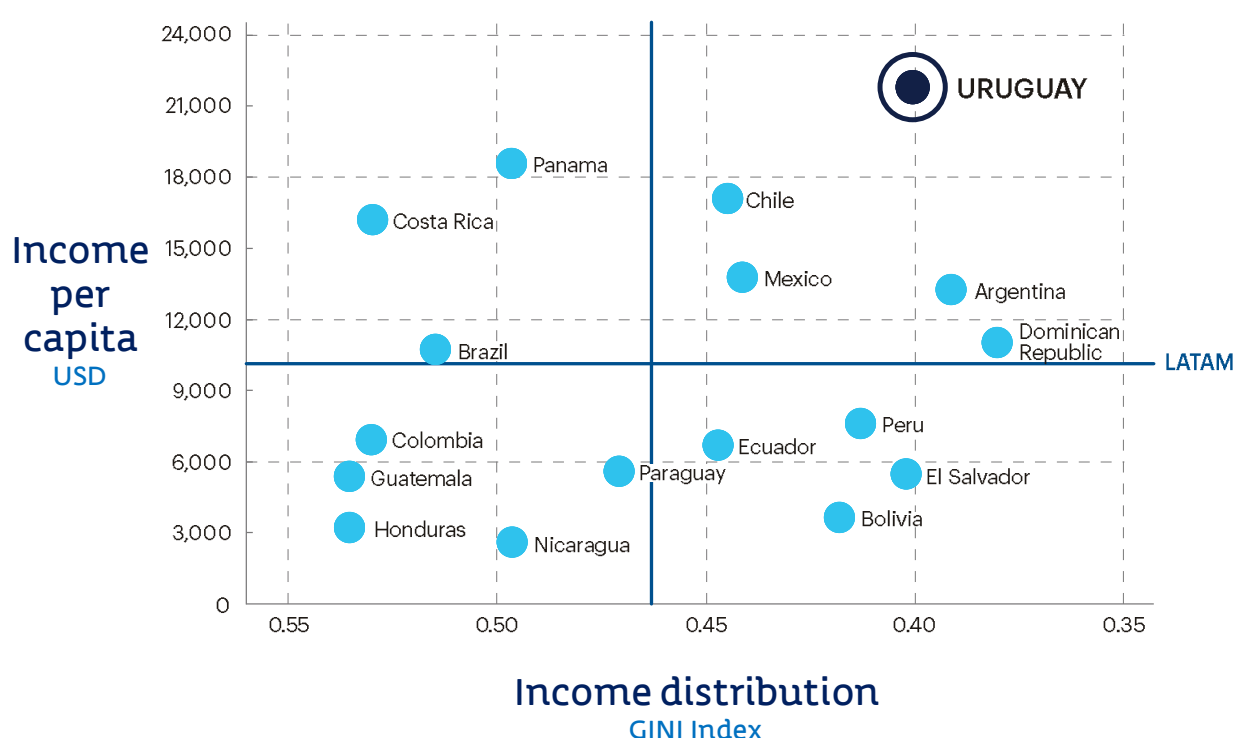


Source: Bluebay Asset Management - Verisk Maplecroft (2022).

## MACROECONOMIC STABILITY

Between 2003 and early 2020, Uruguay's economy grew at an average annual rate of 3.8%, representing the longest period of economic expansion in history. Following a temporary contraction in 2020 and early 2021 due to the COVID-19 pandemic, GDP recovered, registering a growth rate of 4.5% in 2022 and 0.7% in 2023. Last year, the economy expanded by 3.1%, driven primarily by an increase in exports of goods and services.

Uruguay's economic growth has also translated into a significant rise in **per capita income**, which increased from USD 5,000 in 2005 to USD 23,765 in 2024 (measured in current US dollars), making it the **highest in Latin America**.

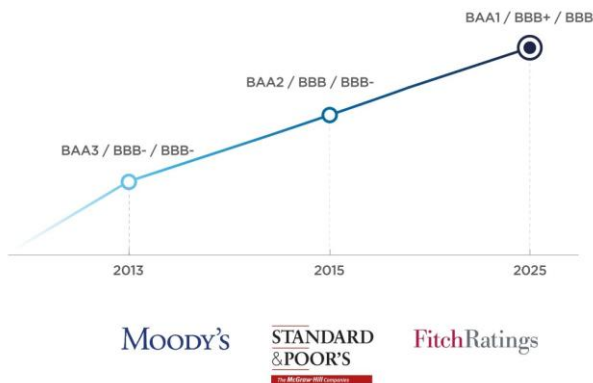


The country's income distribution is also noteworthy, as **Uruguay is one of the most egalitarian countries in the region**, with 62% of its population belonging to the middle class and one of the lowest poverty rates in Latin America.

Furthermore, Uruguay is recognized for its orderly management of public debt and fiscal stability. The three major credit ratings agencies - Fitch, Moody's and Standard & Poor's - have all reaffirmed the country's **investment grade status**.

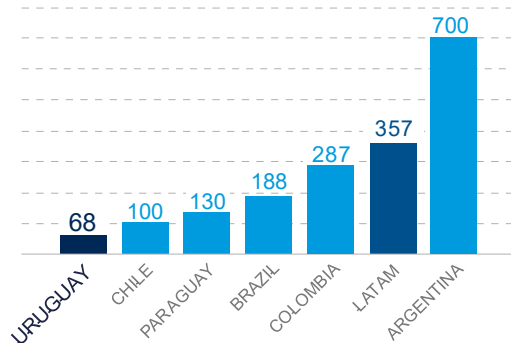


## 13 consecutive years of Investment grade



Source: Ministry of Economy and Finance of Uruguay, J.P. Morgan Chase (April 2025).

## The lowest country risk in the region



Country risk in Latin America – Basis points  
August 2025

## EASE OF DOING BUSINESS

One of Uruguay's key advantages is the simplicity of doing business: **foreign investors can own 100% of their operations** without the need for a local partner. **No prior approval or registration** is required to start operating, and companies enjoy **full freedom to repatriate profits abroad**.

In addition, Uruguay offers a **completely open foreign exchange market**. Businesses can freely buy and sell foreign currency, open bank accounts in different currencies, and invoice international clients directly in foreign currency from Uruguay.

Operating under a **single, nationwide tax system**, companies benefit from clarity, consistency, and ease of compliance across the country.

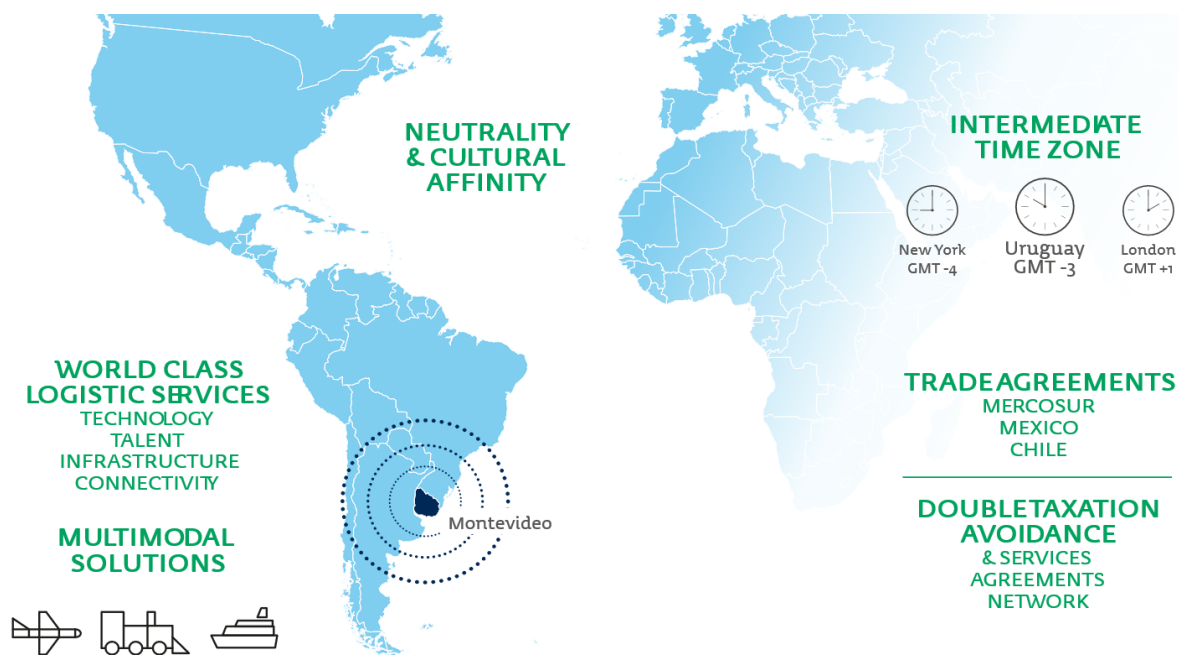




## Access

Easy access to Brazil / Spanish-speaking countries  
Convenient time zone and cultural affinity  
World-class facilities and connectivity

Thanks to its strategic location, language, business environment, shared cultural traits, and trade agreements, Uruguay serves as an excellent platform to access key markets such as Brazil and Spanish speaking countries across the region.



As a MERCOSUR member and through its Free Trade Agreement with Mexico, Uruguay offers access to a market of nearly 400 million people, representing 76% of Latin America's GDP.



The country is well positioned as a regional business and logistics hub, given its proximity to South America's wealthiest areas. Its free trade zones, free ports and airport, and bonded warehouses provide ideal conditions for establishing regional distribution centers.

Moreover, **Uruguay's cultural affinity with Europe and North America, along with its favorable time zone and robust telecommunications infrastructure, make it an ideal location for delivering high-quality support services to international markets.**

## A COUNTRY AT THE FOREFRONT OF DIGITALIZATION

- » **Subsea fiber optic connectivity developed with global leaders.** Uruguay is connected by the **Monet, Tannat** and **Firmina** submarine cables.
- » **Tier III Data Centers** that deliver reliable, high-performance and user-centric solutions.
- » **Significant public investment in telecommunications.** Uruguay has the largest fiber optic network in Latin America, with over 23,000 km of coverage and 81% of households connected to broadband.
- » **A thriving tech ecosystem**, positioning Uruguay at the forefront of global digital innovation.
- » **Member of Digital Nations**, an international alliance of leading digital governments. Uruguay has participated since 2018 alongside Canada, Denmark, Estonia, Israel, Mexico, New Zealand, Portugal, South Korea, and the United Kingdom.

## Leader in communications in Latin America

 <b>Internet penetration - fixed broadband</b> (International Telecommunication Union)	<b>#1</b>	 <b>% of homes connected by optical fiber</b>	<b>#1</b>
 <b>Adoption of IT</b> (World Economic Forum)	<b>#1</b>	 <b>% of companies connected by optical fiber</b>	<b>#1</b>
 <b>Digital Nations member</b> (World's leading digital governments)	<b>#1</b>	 <b>E-Government Development Index</b> (United Nations, 2024)	<b>#1</b>

Source: ITU, World Economic Forum (2024), United Nations (2024).



## Talent

Highly skilled and multilingual: Spanish, English, Portuguese  
Competitive, adaptable and committed labor force  
Free, high-quality public education through college

Uruguay has a highly educated population, driven by the quality of its basic, technical and university education, as well as by the workforce's adaptability to new business processes and technologies, and strong foreign language skills -particularly in English and Portuguese.

- » **Uruguay has the highest literacy rate in Latin America: 98%.**
- » **Free public education** from kindergarten through university.
- » 60% of university students both work and study at the same time.

## ONE LAPTOP PER CHILD PROGRAM



**CEIBAL** is a government initiative launched in 2007, inspired by the [One Laptop Per Child \(OLPC\)](#) program.

Uruguay became the **first country in the world to provide laptops to all children and teachers in all public elementary and high schools**. Thanks to this initiative, technology access became universal, and the digital divide between the richest and poorest households narrowed from 35% to 8%.

Ceibal has empowered future generations to face the challenges of the modern workforce and has played a key role in improving English language skills among young people.

## POPULATION AND LABOR FORCE

Approximately **60%** of Uruguay's labor force is concentrated in the Montevideo metropolitan area.

2024	Country total	Metropolitan Area
Population	3,499,451	2,031,628
Productive population	64,6%	64,7%
Labor force	1,901,400	1,144,900
Unemployment rate	7,8%	7%

### ICT and business services employ more than 70,000 workers in Uruguay

Full-time employment – Country total		78,185
Business services & ICT employment per type of functions	<b>Contact Center</b> (including voice operations such as inbound and outbound sales services)	4,444
	<b>Non-voice business functions</b> (including F&A, payroll, supply chain management, financial services, business advisory, among others.)	49,462
	<b>Information &amp; Communication Technology services</b> (including software development, tech support, infrastructure management, etc.)	24,279

Source: Continuous Survey of Households - National Statistical Institute of Uruguay (2024)



EDUCATION	Technical	Bachelor degree (University)
Institutions	16	72
<b>Enrolled students</b>	<b>26,534</b>	<b>255,254</b>
Annual admissions	18,251	44,249
Annual graduates	6,601	8,809
<b>Business Services related</b>		
Enrolled students	25%	38%
<b>ICT related</b>		
Enrolled students	15%	7%
<b>Architecture, Engineering &amp; Creative Services related</b>		
Enrolled students	14%	13%

Source: Education Statistical Yearbook, Ministry of Education.

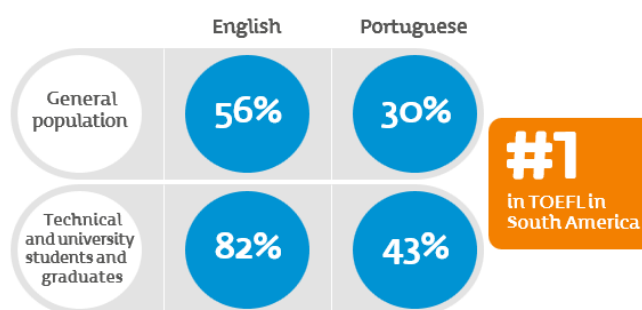
## MULTILINGUAL TALENT

**Uruguay's strong commitment to quality education has resulted in a highly multilingual workforce.**

Today, **66% of the population speaks a second language**, and **32% is multilingual**.

**English is taught in nearly all public elementary schools**, supported by the 'Ceibal' initiative (One Laptop Per Child Program). Private elementary schools have also incorporated English into their curricula. In both public and private middle and high schools, English is mandatory. Additionally, many elementary schools have introduced Portuguese as part of their programs.

At a national level, **56% of the population speaks English** and **30% speaks Portuguese**.



Source: ETI 2019.

Among technical and university students and graduates, these figures rise significantly: 82% speak English, and 43% speak Portuguese – in some cases at a native level due to Uruguay's shared border with Brazil.

This multilingual talent pool positions Uruguay as an ideal hub for delivering services to **Brazil, the United States and Europe**.

## TOOLS FOR TALENT SUPPORT AND DEVELOPMENT

The [Finishing Schools](#) program subsidizes up to 70% of on-demand training costs. This grant can be used to hire third-party providers or to cover in-house trainers within the company, whether for the initial setup or to support the expansion of existing operations in the country.

Since its launch in 2012:

- » **Over 300 projects** have been approved.
- » **More than 9,000** people have been trained.
- » **More than USD 4,500,000** invested in employee training, of which over USD 1.7 million was granted through the program.
- » **More than 300 companies** have participated.



Subsidies up to 70% of the costs

**Who can access?**  
Companies requiring staff to set up or expand their operations of export of services from Uruguay

**What kind of support?**  
Non – refundable contribution up to 70% for the cost of training in soft and technical skills.

**How to access?**  
Once the idea is defined, the company sends its proposals which is evaluated by a specialized committee within 10 days

Any foreign national hired by local or international exporting companies may apply for visa facilitation and/or temporary residence, either from within Uruguay or abroad. Requirements vary depending on the applicant's country of origin. [Click here](#) for more information.



## FAST TRACK VISAS & RESIDENCES PERMITS



For exporting companies in Uruguay



For employees and their relatives



Visa/residence will be authorized within 10 business days



Can be started in Uruguay or abroad



## Lifestyle

Relaxing and enjoyable place to live  
Vast cultural, educational and health amenities  
Friendly and polite people

**Uruguay stands out as a safe, welcoming country with a high quality of life and a rich cultural and educational offering.**

Montevideo, Punta del Este, Colonia, and other cities provide excellent living conditions for executives and their families, including free, high-quality healthcare, diverse educational options, and a wide range of leisure and cultural activities.

The country also offers easy integration for foreign professionals and their families, thanks to its friendly population, widespread multilingualism, and streamlined residency procedures.



Health



Education



Commuting

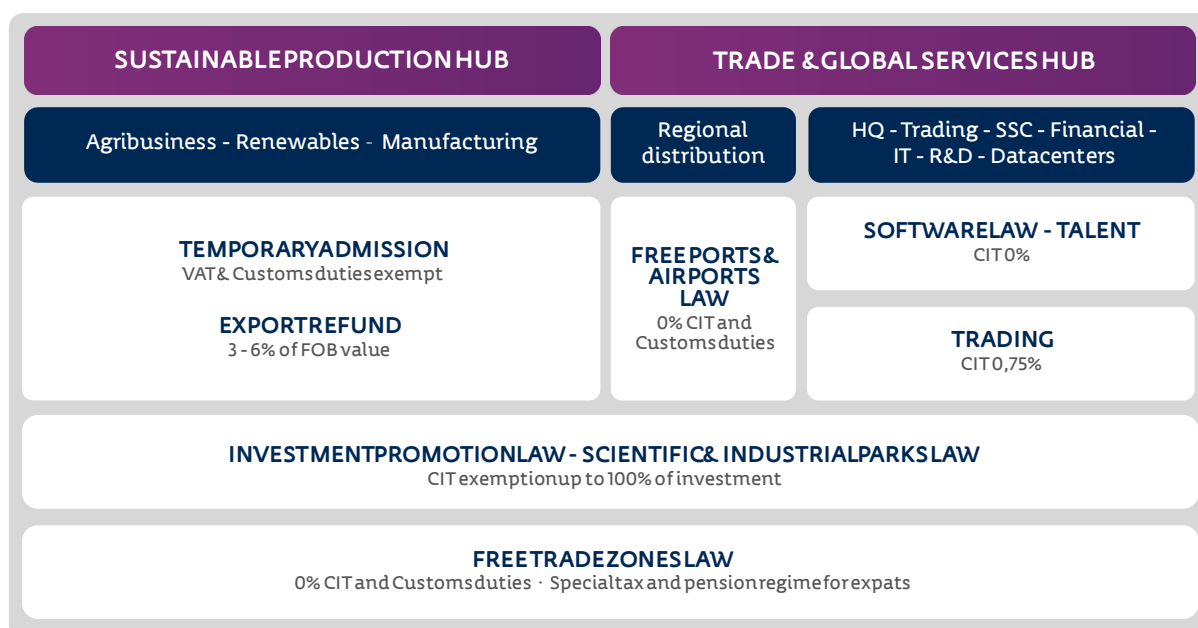


Recreation

According to [Mercer's 2024 Global Quality of Living Ranking](#), **Montevideo ranks 92nd globally and holds the top spot in Latin America.** The ranking evaluates key factors such as internal stability, law enforcement effectiveness, crime rates, medical facilities, infrastructure, and public transportation, among others.

Montevideo also ranks **second among the most liveable cities in Latin America**, according to the **2024 Liveability Index published by The Economist Intelligence Unit (EIU)**. This index highlights Uruguay's political stability, democratic institutions, and social cohesion as key contributors to its high quality of life.

## TAX INCENTIVES



### Investment Promotion Law

This regime allows investors to deduct a significant portion of their investment – between 30% and 100% - from Corporate Income Tax, depending on the project's characteristics and its score based on predefined indicators. It also enables reductions in net wealth tax, offering overall tax relief of up to 100% of the amount invested.

### Free Trade Zones Law

Free Trade Zones (FTZs) in Uruguay may be operated by the State or by authorized private entities. These zones allow for commercial, industrial and services activities, and companies established in FTZs can provide services overseas and, under certain conditions, to the domestic market as well.

**Key benefits for companies operating in Free Trade Zones include:**

- » **100% exemption from Corporate Income Tax (CIT), Net Wealth Tax,** and all other current or future domestic taxes. These exemptions are guaranteed by the Uruguayan State.
- » **Dividends distributed to foreign shareholders** are tax-exempt in Uruguay.
- » **Foreign personnel** may choose to contribute to social security in Uruguay or in their country of origin.
- » Sales and purchases of goods and services with foreign markets are exempt from VAT. Transactions within FTZs are also VAT-exempt.

- » Operations with the Uruguayan market are permitted, but tax exemptions do not apply in such cases.
- » **Non-resident entities** are exempt from CIT for activities involving foreign goods in transit or stored in FTZs, provided these goods are not destined for the Uruguayan customs territory. A partial exemption applies if sales to the domestic market represent less than 5% of total disposals.
- » **Goods traded between FTZs**, and the rest of the world are exempt from customs duties.
- » **Service companies may employ up to 50% foreign staff.**

### Trading activities

Regarding trading activities, Uruguay has a special tax regime that allows companies to carry out international trading operations outside the country -buying and selling goods or services abroad without the physical transit through Uruguayan territory (Resolution No. 51/997).

Uruguayan companies engaged in such activities may opt to calculate Corporate Income Tax on a reduced taxable base, equivalent to 3% of the margin between the sale price and the purchase price. This base is taxed at the standard CIT rate of 25%, resulting in an effective tax rate of 0.75% on the trading margin.

This preferential tax regime is optional and exclusively available to companies incorporated under Uruguayan law.

### Shared Service Centers (Decree 251/014)

**90% exemption from CIT and Net Wealth Tax** on eligible assets for a period of five years, provided that:

- At least 150 new direct qualified jobs are created by the end of the third year and maintained through the end of the fifth year. At least 75% of these positions must be filled by Uruguayan citizens (temporary exceptions may be granted).
- The company implements a Training Plan for Uruguayan employees with a minimum total investment of 10,000,000 Indexed Units (UI)<sup>1</sup> (approximately USD 1,500,000) over the first three years.
- The company undertakes new business projects.

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<sup>1</sup> Indexed Units (UI), a local inflation-adjusted accounting unit used in Uruguay.



The exemption period may be extended to ten years if: (i) the number of jobs exceeds 300 by the end of the fifth year and is maintained throughout the exemption period; and (ii) the training investment exceeds UI 20,000,000 (approximately USD 3,000,000) within the first six years.

**70% exemption from CIT and Net Wealth Tax** on eligible assets for a period of five years, provided that:

- The company creates at least 100 new direct qualified jobs by the end of the third year, and maintains them through the end of the fifth year. At least 75% of these positions must be held by Uruguayan citizens (temporary reductions may be authorized).
- The company implements a Training Plan for Uruguayan employees with a minimum investment of UI 5,000,000 (approximately USD 785,000) over the first three years.

### **VAT exemption for Call Centers (Decree 187/018)**

Call centers are exempt from VAT when operating in Uruguay, regardless of the company's export volume. This updates the previous regulation, which required that at least 50% of total sales be exports in order to qualify for the exemption.

### **Contact Centers**

Decree No. 207/2008, as amended by Decree No. 379/011, promotes all activities carried out by Contact Centers—defined as the provision of services by operators who make or receive telephone calls, internet messages, or use other communication channels—provided the following conditions are met simultaneously:

- » The operation generates a minimum of 100 direct qualified jobs.
- » Services are rendered exclusively for the benefit of non-resident individuals located abroad.

Income derived from such activities is exempt from CIT for a period of 10 years, starting from the fiscal year in which the incentive is requested (inclusive).

For applications submitted after January 1, 2011, the exemption applies as follows:

- » **100% exemption** if the number of direct qualified jobs exceeds 150.
- » **70% exemption** if the number of direct qualified jobs exceeds 100.

### **Tax benefits for GBS companies located outside Montevideo**

Service companies are eligible for significant tax incentives, including:

- **90% exemption** from CIT
- **100% exemption** from Wealth Tax on assets used in the promoted activities.

To qualify for these benefits, service-exporting companies must meet the following criteria:

- » Achieve an annual ratio of at least 60%, calculated as:  
$$\frac{\text{total remuneration expenses for personal services under an employment relationship}}{\text{total remuneration expenses for personal services both under and outside an employment relationship}}$$
- » Be located within an 80 km radius from Montevideo's city center.
- » Generate at least 15 new direct qualified jobs by the end of the first two years.
- » Ensure that at least 50% of personnel are Uruguayan citizens (temporary reductions may be authorized).
- » Provide services to at least five different entities.

The duration of the tax exemption will depend on the number of new qualified jobs created: (i) five years if at least 15 new jobs are generated by the end of year two; (ii) eight years if at least 30 new jobs are generated by the end of year three; and (iii) ten years when at least 60 new jobs are generated by the end of year four.

### Regulations applicable to youth employment

Law No. 19,973 establishes a series of **instruments designed to promote the hiring of young people between 15 and 29**.

In this context, public and private employers can access various incentives, including wage subsidies, free job placement services, and promotion and branding support.

Hiring under this law may not exceed 20% of the company's permanent workforce.

Companies with fewer than 10 employees but more than 5 may hire up to 2 workers. Companies with 1 to 5 employees may hire one worker.

#### Incentives<sup>2</sup>:

- » **First work experience.** This program allows the hiring of people between 15 and 24 years old with no formal work experience, for a period exceeding 90 calendar days. Employment contracts must have a minimum duration of 6 months and a maximum of 12 months. The subsidy granted is \$7,713 per month for each full-time hire. If a young woman between 15 and 24 years of age is hired, the subsidy increases to \$9,640 per month for full-time positions. For part-time positions, the subsidy is pro-rated based on hours worked, with a minimum of 20 hours per week.

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<sup>2</sup> Exchange rate as of 6/2/2025: USD 1 = 41.58 Uruguayan pesos (UYU).

- » **Protected youth employment.** This incentive applies to unemployed people between 15- and 29-years old belonging to households with income below the poverty line. The contract must be for a minimum of 6 months and a maximum of one year. The company receives a partial subsidy of up to 80% of the employee's monthly salary, which is subject to social security contributions. The subsidy is capped at 80% of the amount corresponding to two national minimum wages<sup>3</sup>.
- » **Internship program for graduates.** Aimed at hiring graduates between 15- and 29-years old with no prior work experience related to their field of study. The maximum duration of the contract is 12 months. Eligible candidates must have graduated from public or private institutions offering technical, commercial, agricultural, or service-related education. Companies hiring under this scheme receive a 15% subsidy on the employee's monthly salary subject to social security contributions. The subsidy is capped at 15% of the equivalent of two national minimum wages.
- » **Subsidies for unemployed youth.** Under this hiring scheme, the Ministry of Labor and Social Security provides a temporary subsidy to companies that hire people between 15 and 29 years old who have been continuously unemployed for more than 12 months or intermittently unemployed for more than 15 months within the 24 months prior to hiring. The employment must be for at least 20 hours per week, and the subsidy is granted for up to 12 months. It is provided in the form of a credit applicable to current obligations with the Social Security Authority.

### Temporary Employment Subsidy

To encourage employment among people with no prior work experience, private-sector companies and institutions may apply for the Temporary Employment Subsidy.

It is important to note that the maximum number of hires under this scheme may not exceed 20% of the company's permanent workforce. Companies with fewer than 10 employees may hire up to 2 individuals.

The subsidies are as follows:

- » 25% of the employee's monthly salary for workers aged 15-44.
- » 40% of the employee's monthly salary for workers aged 45 or older.

These subsidies apply only to new hires earning up to 2.5 times the National Minimum Wage (NMW). Additionally, the maximum subsidy amount is capped at 25% of 1.5 NMW. The benefit is granted for a maximum period of 18 months.

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<sup>3</sup> National Minimum Wage: UYU 23,604, effective as of January 1, 2025.

## Tax residence in Uruguay

The concept of tax residency was introduced under Law No. 18,083, the cornerstone of Uruguay's reformed income tax system.

### Criteria for obtaining tax residence in Uruguay

An individual is considered a tax resident in Uruguay if any of the following conditions are met:

- » **Physical presence.** The individual remains in Uruguay for more than **183 days within a calendar year**. Sporadic absences are counted toward this total as specified by regulations, unless the person can prove tax residency in another country.
- » **Center of economic activity.** The individual's **main source of income** is in Uruguay -meaning that income generated in Uruguay exceeds that from any other country.
- » **Vital interests.** The individual's **family ties** are in Uruguay. This is presumed when their spouse (if not legally separated) and dependent minor children reside in the country. If there are no children, the presence of the spouse alone is sufficient.
- » **Main economic interests.** Unless proven otherwise, Uruguay considers an individual to have main economic interests in the country if they meet either of the following investment-based criteria established by Decree No. 163/020:
  - Real estate investment: ownership of real estate in Uruguay valued above UI 3,500,000 (approximately USD 550,000); or
  - Business investment: a direct or indirect investment in a local company valued above UI 15,000,000 (approximately USD 2,355,000), provided the company creates at least 15 new full-time jobs in Uruguay during the calendar year. These must be new positions created after July 1, 2020, and not linked to downsizing in a related entity.

In both cases, the individual must also be physically present in Uruguay for at least 60 days during the calendar year to qualify as a tax resident.

Tax Holiday. Under current regulations, capital gains from movable assets (e.g., deposits, loans, or other financial placements) originating abroad and paid by non-resident entities are subject to Personal Income Tax (IRPF) — an exception to Uruguay's typical source-based taxation principle. However, individuals who become tax residents in Uruguay can opt to continue paying Non-Resident Income Tax (IRNR) on this type of income for the year of the residency change and the following 10 fiscal years. This one-time option applies exclusively to foreign-sourced capital gains, and exempts the individual from paying IRPF on such income during that period.

Loss of foreign tax residence. Being granted tax residency in Uruguay does not automatically revoke tax residency in another country. This depends on the tax laws and bilateral agreements in place with the individual's country of origin.

Uruguay XXI is the first point of contact for the foreign investor, providing free and personalized support to those who are considering investing in Uruguay, as well as to those who are already settled in the country.



### ATTRACTION AND PRE-INVESTMENT

Promotion of country value proposition and investment opportunities.

Macro, sector and customized information reports at the request of the potential investor.

Organization of agendas for visits to Uruguay.

Advice and facilitation of public and private contacts.



### SETTLING DOWN AND DEVELOPING A BUSINESS

Facilitation of procedures in public organizations.

Strengthening of business contact networks, dynamization of clusters and innovation ecosystems.

Improvements to the regulatory framework and other aspects of the business climate.

Facilitation of support for: access to and development of talent, development of suppliers, R+D projects, among others.

Support for the development of re-investment opportunities.

 [investinuruguay.uy](http://investinuruguay.uy)

 [invest@uruguayxxi.gub.uy](mailto:invest@uruguayxxi.gub.uy)

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