



#1 BUSINESS HUB IN LATIN AMERICA



LOGISTICS & DISTRIBUTION



COMMERCE & SERVICES



PRODUCTION & INNOVATION

GLOBAL SERVICES



Uruguay XXI
INVESTMENT, EXPORT AND COUNTRY
BRAND PROMOTION AGENCY





Reliability

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



Access

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



Talent

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



Lifestyle

Relaxing and enjoyable place to live
Vast cultural, educational and health amenities
Low commuting times

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URUGUAY #1 BUSINESS HUB IN LATIN AMERICA

Uruguay is the **most reliable country** to do business in one of the most economically attractive regions in the world. It offers a favorable business climate, social and political stability, investment grade rating and sustained GDP growth during the past 17 years.

Investors highlight Uruguay's **world-class infrastructure** and **excellent quality of life** as well as its **attractive tax system** for export operations (such as the Free Zones Law, the Investment Promotion Law and the Free Ports & Airport Regime), **multilingual talent** (Spanish, English, and Portuguese) and **competitive costs**. In addition, foreign investments receive equal treatment to domestic ones, there are no restrictions on capital or profit repatriation, and companies can operate in domestic or foreign currency.

URUGUAY'S VALUE PROPOSITION

Uruguay's attractiveness relies on four key pillars: **reliability, market and nearshore location, qualified human capital, and a unique lifestyle.**

Reliability



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

The country has maintained strong political and social stability for years, supported by a **consolidated democracy and the rule of law**. Uruguay is known for its legal clarity and for the solid development of its institutions, both of which play a basic role in investment decisions.

Uruguay consistently leads Latin America and the Caribbean rankings relevant to potential investors:

 Democracy Index (Economist Intelligence Unit, 2021)	#1	 Rule of Law Index (World Justice Project, 2021)	#1
 Low corruption (Transparency International, 2021)	#1	 Social Mobility (World Economic Forum, 2020)	#1
 Civil Liberties (Freedom House, 2021)	#1	 E-Government Development Index (United Nations, 2020)	#1

Uruguay is among the world's leading economies for investment, according to the ESG Index that takes into account the quality of governance, social and environmental factors.

JP Morgan takes the ESG factors to weight the EMBI country risk indicator, resulting in **Uruguay being the most reliable of all the emerging economies in the world to invest.**

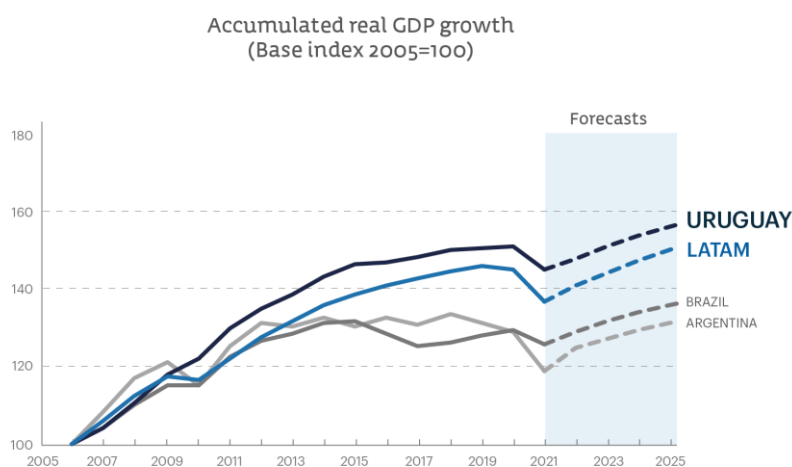
Highest performance in ESG factors



Source: JP Morgan, Bluebay Asset Management – Verisk Maplecroft.

Macroeconomic stability

From 2003 to early 2020, Uruguay's economy grew at an average annual rate of 3.8%, meaning the longest economic expansion in history. Despite the economic contraction during the course of 2020 due to the COVID-19 outbreak in the country, Uruguay registered the lowest impact in the region due to an effective containment of virus contagion under less stricter lockdown measures.



Source: Data of WEO - IMF (April 2021) and BCU.

17 YEARS OF
UNINTERRUPTED
GROWTH

3.8%
in average

RESILIENCE
TO EXTERNAL
SHOCKS

The aforementioned expansion was accompanied by a growth in GDP per capita from US\$ 5,000 in 2005 to US\$ 17,165 in 2018, the highest in Latin America (measured in current US\$).

In addition to Uruguay's high GDP per capita, the country's income distribution is also worth noting. **Uruguay is the most egalitarian country in Latin America according to any income distribution measure.**

Furthermore, Uruguay is recognized for its orderly management of public debt and for its fiscal stability. The three major credit ratings agencies: Fitch (February 2020), Moody's (April 2020), and Standard & Poor's (May 2020) have all ratified the **country's investment grade**. Moreover, the US Department of State has recognized Uruguay as a **fiscally transparent country**.



Regulatory framework | Easy for business



By virtue of its investment law, Uruguay guarantees equal treatment for local and foreign investors.

No prior approval or registration is required to operate in Uruguay, and there are no restrictions on the transfer of capital or profits from investments. Companies can operate in both domestic and foreign currency. Furthermore, there is a single national tax system.

Other tools which enhance the business environment are the Foreign Trade One-Stop-Shop (VUCE, in Spanish), a single platform which manages all the operations and documents related to imports, exports, and transit. Furthermore, the New Customs Code introduces several innovations regarding customs, facilitating Uruguay's internationalization.

Convenient distances for Business Centers

Business Parks such as Zonamerica Free Trade Zone and Parque de las Ciencias Free Trade Zone are located five minutes from Carrasco International Airport and 30 minutes from the Port of Montevideo. Furthermore, Aguada Park Free Trade Zone, WTC Free Zone and the Technology Laboratory of Uruguay are strategically located in downtown Montevideo, close to universities, enabling young employees to continue studying while working.



Aguada Park



Parque de las Ciencias



World Trade Center



Zonamerica

Access



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

Given the country's location, language, business history, shared culture and trade agreements, Uruguay is an excellent platform to access markets such as Brazil and Spanish-speaking countries.

As a MERCOSUR member and its Free Trade Agreement with Mexico, Uruguay has access to a market of **398 million people, which represents the 76% of Latin America's GDP.**







Uruguay is well-positioned as a regional business and logistics hub due to its proximity to the wealthiest areas in South America. The country's free zones, free ports and airport, and bonded warehouses are ideal places to set up distribution centers. Moreover, **Uruguay's cultural affinity with Europe and North America, similar time zone, and excellent telecommunications infrastructure make the country an ideal nearshore location with those markets.**



A country that empowers digitalization

- **Fiber optic submarine cable Monet:** An underwater cable jointly developed in 2017 with Google. More than 12,500 km from the US to Uruguay, allowing Uruguay to be an Internet provider to the region and the world.
- **A Tier III Data Center,** recognized as the Best Data Center Enterprise in Latin America, and able to be a provider of a wide range of solutions focused on the user.
- Huge infrastructure investments in **fiber optic networks**, with more than 23,000 km and 77% of households with broadband connections.
- A well-developed **IT industry** placed at the forefront of technology in the world.
- Uruguay was invited to join the **Digital Nations Group**, a network of the world's most advanced countries in digital development, along Canada, Estonia, Israel, Mexico, New Zealand, South Korea, Portugal, and the United Kingdom.

Leader in communications #1 in Latin America

 Internet penetration - fixed broadband (International Telecommunication Union)	#1	 % of homes connected by optical fiber	#1
 Adoption of IT (World Economic Forum)	#1	 % of companies connected by optical fiber	#1
 Digital Nations member (World's leading digital governments)	#1	 E-Government Development Index (United Nations, 2020)	#1

Source: ITU, World Economic Forum (2019), United Nations (2020).

Talent



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

Talent in Uruguay is highly competitive due to a combination of several factors: **high quality of basic, technical and university training, and the flexibility of Uruguayan workers that allows them to adapt to new production processes or technologies.** In addition, **their ability to master other languages, in particular, English and Portuguese.**

- Uruguay has the highest literacy rate in Latin America: 98%.
- Free public education is provided from kindergarten to university.
- 4% of the country's GDP is invested in education.
- 100% of high school students at the age of 15 have already completed at least three years of English and two years of computer science.
- 60% of University students work and study at the same time.

Long term policies: One Laptop Per Child Program



Uruguay's **Plan Ceibal** is an initiative launched by the Uruguayan government since 2007, based on the **One Laptop Per Child (OLPC)** program of the Massachusetts Institute of Technology (MIT).

Because of Plan Ceibal, Uruguay became the first country in the world to provide laptop computers to every one of the kids and teachers in all primary and secondary State schools. Access to technology and knowledge has been universalized and the digital divide has been significantly bridged, since in ten years the access divide between the poorest and richest households decreased from 35% to 8%. This program has empowered future generations to face new employment challenges; also, the computers are programmed in English. This has helped children and teenagers to improve their English skills.

Population and Labor Force

Around 63% of Uruguay's labor force is concentrated in Montevideo's Metropolitan Area.

2019	Country total	Metropolitan Area
Population	3.518.552	2.096.320
Productive Population	62,2%	64,2%
Labor force	1.717.517	1.089.301
Unemployment rate	8,9%	9,3%

IT and Business Services employ more than 66,000 workers in Uruguay.

Parameters	Unit	Total
Number of FTEs employed in Business Services & IT Industry	Number of FTEs	66,341
	Contact Center (includes voice operations such as inbound and outbound sales services)	4,103
Break-up of business services & IT industry across functions	Non-voice business process (includes processes such as trading, supply chain, F&A, pay roll, financial services, business advice)	45,805
	Information technology (includes operations such as IT-application development and maintenance, infrastructure service, etc.)	16,433

Source: Continuous Survey of Households of the National Statistical Institute of Uruguay (2019).

Work & Compensation

The regulation of working hours applied to the commercial sector is 44 weekly hours and the limit of the daily hours of work is eight hours. In the industrial sector corresponds to 48 weekly hours. Call centers have a limit of 39 weekly hours with 6 working days.

Workers have the right to an annual remunerated vacation consisting of 20 consecutive days, which is increased 1 day for every 4 years of length of service starting from the 5th year. Holidays must be remunerated at the normal wage in force by the time the vacation is taken. Workers have the right to receive a supplement known as “vacation bonus”. Year-end bonuses (also known as “supplementary annual salary” or “13th salary”) are payable to all workers in the private sector in two halves (in June and December). Additionally, there are some special leaves: study leave (6 to 12 days per year) and bereavement leave (3 days). When an employee is dismissed, they are entitled to be compensated. This compensation is not subject to social security contributions, and its calculation differs whether the employee is monthly or day labourer. In general, the employee is entitled to a monthly wage for each year or partial year worked, with a maximum of six wages

Personnel Turnover

Companies in Uruguay **perceive lower attrition rates than elsewhere**, highlighting in turn a stronger degree of commitment to the company's tasks and objectives.

University-Graduates and Undergraduates

Uruguay has **excellent educational levels and free access to education**. More than 85% of college students enroll in public universities, 51% study business degrees.

To prepare them for business services (such as foreign trade, supply chain activities, administration, F&A, human resources management, or financial and market analysis), Uruguay's universities offer degrees in international relations, certified public accounting, business administration, marketing, economics, psychology, human resources, law, notary public, and social sciences.

Education

General	Technician equivalent	Bachelor Degree (university)
Number of educational institutions.	9	50
Total number of enrolled students.	19.429	219.944
Total annual number of admissions.	Not available	37.486
Total annual number of graduates.	Not available	7.602
Studies related to Life Sciences		% Global Services
Enrolled students.	7%	29%
Studies related to Business Services		% Global Services
Enrolled students.	30%	51%
Studies related to ICT		% Global Services
Enrolled students.	24%	6%
Architecture, Engineering & Creative Services		% Global Services
Enrolled students.	40%	14%

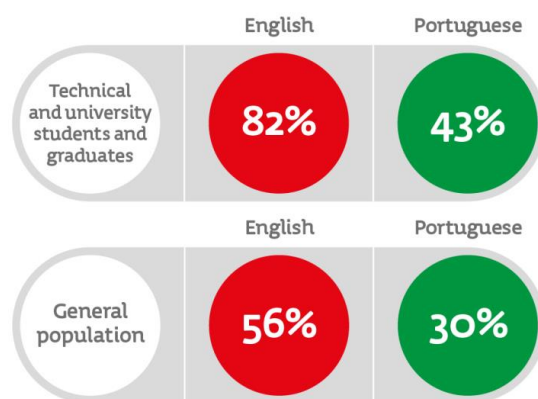
Source: MEC, Education Statistical Yearbook 2020 (Published in 2021)

Multilingual talent

66% of Uruguay's population speak a second language and 32% are multilingual.

English is taught at nearly all public elementary schools and is supported by 'Plan Ceibal' (One Laptop Per Child Project). With regard to private elementary schools, they have also incorporated it into their curricula. **In both public and private middle and high schools, English is mandatory.** Many elementary schools have incorporated Portuguese into their curricula as well.

Language skills among tertiary level students and graduates and the general population:



Source: ETI 2019, ECH 2018 – 2019

Supporting talent development-tools provided by Uruguay XXI

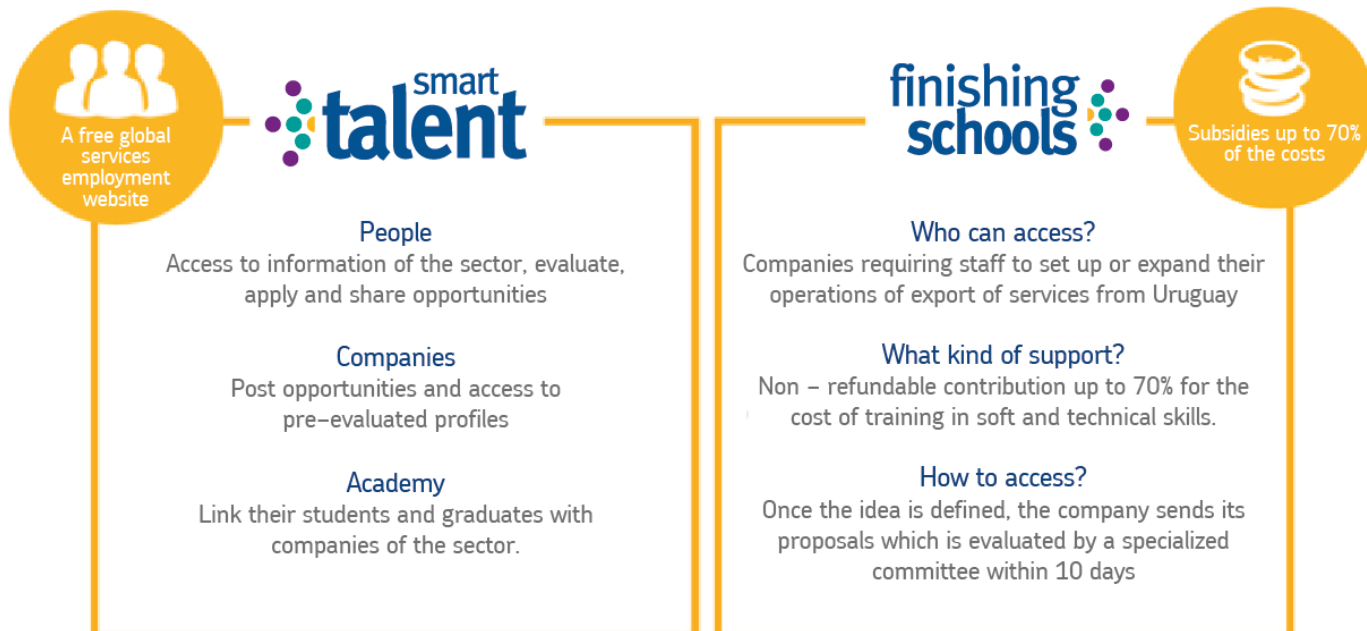
The **Finishing Schools program** subsidizes up to 70% of training-on-demand costs. This grant can be used for a third party supplier or even for internal trainers in the company, either for the initial set up or to expand the current operations in the country. This tool is developed by **Uruguay XXI** in strategic alliance with **INEFOP**.

Since the program started operating (2012):

- **+ 300** projects have been approved.
- **+ 9000** people have been trained.
- **+ US\$ 4,500,000** invested to train employees (from which more than **+ US\$ 1,700,000** was granted by the program).
- **+ 300** companies have participated.

Moreover, through **Smart Talent**, a website to post job opportunities focused on global services, **companies can post their job vacancies and directly headhunt among more than 45,000 registered profiles, free of charge**. Companies can even use it before landing in Uruguay. It also works as a tool to promote the global services industry among young people through a series of awareness activities.

Apart from the website, **Smart Talent** organizes different activities to foster companies' employer brand together with key educational institutions and other relevant players. From customized content for social networks to over + 500 activities including visits to companies, tech workshops, and the annual celebration of **Smart Talent Day**.



Fast-track for Visas and Residence Permits

In order to work in the country, foreigners must apply for legal residency. With the support of Uruguay XXI, global services companies can apply to the fast-track for [Visas and Residences permits](#).



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's capital city of Montevideo (1.3 million inhabitants), Punta del Este and other cities offer excellent living conditions for executives and their families, including free well-equipped health services and education.

In accordance with the Mercer 2019 Quality of Living Worldwide City Rankings, Montevideo ranks number 78 overall, and emerges as the number one city in Latin America. Factors such as internal stability, law enforcement effectiveness, crime levels, medical facilities, infrastructure and public transportation, are taken into consideration by the Mercer research team.



#1
The best quality of life in
Latin America
(Mercer, 2019)

Uruguay | **LIVE THE EXPERIENCE**
liveinuruguay.uy

Montevideo

Health Education Commuting Recreation

BUSINESS PLATFORMS & OPPORTUNITIES FOR GLOBAL COMPANIES

Uruguay offers advantages associated with different **business platforms** which make it an ideal **business hub for the Americas**. The hub concept not only encompasses platforms for support services and commercial activities but also for innovation and manufacture operations.

There are examples of successful FDI cases that take advantage of Uruguay operating in one platform or achieving synergies across several platforms.



LOGISTICS (Regional Distribution Centers) - Some of the main advantages offered by Uruguay include **reducing inventories, minimal lead times and deferring import taxes**. Operations can only be passenger (**cross-docking**) or include different value-added processes according to customer needs (**postponement**). To carry out this type of operations and access tax benefits, it is not essential to set up a Uruguayan company.

COMMERCE (Trading & Procurement) - By centralizing these commercial activities in Uruguay (with or without passage of the merchandise through Uruguay) it is possible to optimize services and tax costs in the purchase and sale of products. This applies both for intra-company trading operations and for procurement (supply of plants or other types of operations in the region).

SERVICES - Uruguay's framework is ideal for companies aiming to centralize **shared services centers** (support activities for its regional businesses) and / or **regional sales** (services companies)

This business model could be a specialized back-office center or even incorporate the centralization of commercial activities (trading/procurement/sales) providing substance and efficiency. Main activities developed by SSC in Uruguay include supply chain services, F&A, HR, marketing **support, customer service, legal support, treasury, etc.** These activities can be carried out by the companies themselves (**Captive Center**) or by a third-party supplier.





Uruguay is also an excellent platform with a proven track record, for the provision of specialized services such as [financial advice](#), [architecture](#), [engineering](#), [audiovisual production](#), among others.

Moreover, Uruguay is a great location for companies looking to establish a [Regional Headquarter](#). Quality of life for expats and a beneficial framework to develop [holding activities](#) (dividends, capital gains and interests generated by the holding are not subject to taxation in Uruguay) also prove Uruguay's favorable conditions to centralize regional positions.

INNOVATION (IT & BIO) - In addition to the above-mentioned advantages, there is a powerful innovation ecosystem, strong research groups, and a mature tech industry oriented to the development of high value-added solutions for global markets (the US being the main destination market).

PRODUCTION - Uruguay is also an attractive option for **manufacturing** in order to provide to the region. Manufacturing operations are ideally combined with Regional Distribution Centers and services centralization. Besides the incentives given by the general investment promotion regime, some industries like vehicles or autoparts are particularly promoted. Moreover, many foreign companies from different sectors are established in Uruguay, taking advantage of the temporary admission scheme for inputs imports combined with a exports tax refund. This refund may vary from 3 to 6% of the exported value as long as the goods reach a minimum national added value of 20%.

For the development of these business platforms, in addition to the pillars of Uruguay's value proposition (reliability, strategic location, talent and quality of life) Uruguay has an **extensive system of tax incentives that meet the needs of each business platform**. These incentives provide an excellent opportunity for fiscal cost optimization in compliance with OECD guidelines.

 LOGISTICS & DISTRIBUTION Cross-docking Postponement	 COMMERCE & SERVICES Sales - Trading - Procurement Shared Serv. Cent. - Holding	 INNOVATION IT solutions / R&D	 PRODUCTION Manufacturing
FREE PORT & AIRPORT LAW Goods exempt from domestic taxes and customs duties	TRADING CIT 0,75% SSC / CCR CIT 2-8%	SOFTWARE CIT 0% INNOVATION Tax credit up to 45% of the eligible R&D project costs	EXPORT TAX REFUND 3 - 6% of FOB value TEMPORARY ADMISSION VAT & customs duties exempt
INVESTMENT PROMOTION LAW SCIENTIFIC & INDUSTRIAL PARKS LAW CIT exemption up to 100% of investment			
FREE TRADE ZONE LAW 0% CIT and customs duties · Special tax and pension regime for expats			

SUCCESS STORIES

REGIONAL HEADQUARTERS, SHARED SERVICES CENTERS, TRADING & PROCUREMENT CENTERS

Uruguay's capital city, Montevideo, has become a hub for Regional Headquarters (HQ), Trading and Procurement Centers and Shared Services Centers (SSC), with key regional positions providing commercial services, F&A, HR management services, and customer service. Most of them are located in free trade zone areas.

Some renowned companies which have set up their HQ/SSC/Trading or Procurement center in Uruguay include **Abbott, BASF, Finning Caterpillar, Sabre, Altisource, SKF, Arcos Dorados (McDonald's), Pluspetrol, Tenaris**, among others.

Additionally, **trading companies** like **Louis Dreyfus Company, COFCO Agri**, and **Trafigura** have chosen Uruguay as their regional hub.

MAIN ACTIVITIES	+ 80 COMPANIES CHOOSE URUGUAY
• REGIONAL HEADQUARTERS	 
• TRADING / SUPPLY CHAIN	 
• F&A / PAYROLL	 
• CUSTOMER SUPPORT	 
• FRAUD CONTROL / COMPLIANCE	 
• SOURCING / PROCUREMENT	  
• IT SUPPORT & DEVELOPMENT	
• DATA ANALYTICS	
• DIGITAL MARKETING / GRAPHIC DESIGN	
• REGIONAL DISTRIBUTION	

Testimonial



'We wanted to centralize all BASF's accounting services in the Americas, from Alaska to the Patagonia, in a single country. We decided on Uruguay for three main reasons. The first was its government, offering economic and social stability, ease of doing business, minimal bureaucracy and low levels of crime and corruption. The second was the country's quality and uninterrupted Internet connections, which our company needed to transport the data powering our equipment and technology. Most important was human resources, because our services depend on people. Uruguay offers professional and well-educated talent due to the country's

excellent universities. We are more convinced every day that we made an excellent choice by coming to Uruguay’.

Berthold Ebner, Former Managing Director of 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 at Trafigura

REGIONAL DISTRIBUTION CENTERS (RDC)

Uruguay is as an extremely attractive site for the development of distribution activities and logistics. Not only because of its convenient legal framework for companies with foreign trade operations, but also due to its advantages as a logistics platform. Uruguay is the only country in South America to have both free ports and airports; it has top-notch extra-port (or fiscal) warehouses, a stable and tax compliant free trade zone scheme, and a foreign trade one-stop shop.

In addition, the country’s strategic location, quality of services, language capabilities, and the convenient distance between key institutions and service providers within Montevideo, make Uruguay the region’s best logistics platform with reduced costs, and a safe and agile entry to Latin America.

Some RDC for high-value products operating in Uruguay include:

Columbia, GAP, Dupont, RICOH, Kodak, Samsonite, Sony, Lexmark, Astrazeneca, Shimadzu, Adium Pharma, and Merck.

MULTIMODAL SOLUTIONS



- TIMING
- COST SAVING
- PREDICTABILITY
- WORLD CLASS COLD-CHAIN STANDARDS

Testimonial

MERCK



'Merck's decision to establish and maintain operations in Uruguay was grounded on three main factors: Business environment, competitive human resources and a neutral attractive location.

A favorable legal framework, high democracy index and one of the best economic climates in the region provide an ideal business environment needed for a multinational company. The country has stable and long term macroeconomic policies that help the promotion of foreign capital investment and fosters the free zone regime.

Uruguay's high standards of living compared to the rest of the region, the availability of competitive and highly-skilled human resources as well as customer service orientation are also key for the maintenance and growth of our business in the region.

Gabriela Brancato, Managing Director of Merck Uruguay.

THIRD PARTY (BPO)

Though most operations settled in Uruguay are captive, there are many third party providers (global and local) providing BPO services. Main examples are **Tata Consulting Services, Alorica, TMF, Atento, and Avanza.**

Testimonial

TATA



'We started working in LAC 2002 and established operations initially in Uruguay. We were 15 and today we are 2,100 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 at Emerging Markets, Tata Consultancy Services.

THIRD PARTY (KPO)

Besides SSC and BPO activities, there are other high value-added activities being carried out from Uruguay. Companies focused on market analysis, risk management, and financial advisory, such as **Willis Towers Watson** also find competitive advantages in Uruguay for their KPO operations.

Testimonial



‘Uruguay has the qualified talent that our company needs. For the scale of operations that we had planned for Uruguay, we didn’t have problems to find people with solid academic qualifications and excellent English skills. Uruguay is also competitive in terms of operational costs, especially when compared with countries in developed economies. Also, the fact that there is a free trade zone regime, with the fiscal benefits that this implies, as well as the ease to settle within those free trade zones, were key factors in the decision to settle in Uruguay. And finally, another factor is Uruguay’s general environment. Legal certainty, political stability, good indicators regarding the ease of doing business in the country, suitable physical and communication infrastructures, were all very important factors in the decision to settle in Uruguay’.

Sofía Jaunsolo, Country Manager at Willis Towers Watson.

IT DEVELOPMENT CENTERS

The existence of an IT and innovation ecosystem triggered Uruguay to be an excellent hub for IT support and development. These centers give support to Latin America and other parts of the world. Friendly legal frameworks with specific fiscal incentives together with highly qualified talent make Uruguay an unsurpassed place to invest in an IT Center. Some companies established in Uruguay include **Globant**, **TCS** and **Totvs** as third party providers and **Sabre**, **Verifone**, **Netsuite**, and **Topsystem**, as captive centers.

Testimonial



‘We came to Uruguay due to its political and economic stability in conjunction with the amazing talent and the high degree of education in the Uruguayan workforce. We have stayed because of the same three factors. We are incredibly proud that the Montevideo center has become a world leader in customer care and a competitive differentiator for Sabre. We expect it to continue being so into the future’.

Lisa Schwab, Former VP at Sabre.

R&D CENTERS AND CLINICAL RESEARCH

Uruguay is a **great place to develop innovations and try new technologies**. Being a small and transparent country, with easy access to decision makers and regulators, great incentives for R&D initiatives, and modern tech infrastructure, make Uruguay an **ideal test-bed country**.

Global companies with **R&D activities** can invest directly by **installing or acquiring R&D or manufacturing centers**, as well as **contracting services (projects) from qualified local suppliers**.

Uruguay's attractiveness as an **innovation hub** additionally relies on some key successful factors:

- Availability of talented and cost-competitive R&D workforce.
- Science and technology parks with cutting-edge infrastructure + outstanding tax incentives and attractive system for import and export of scientific inputs and equipment.
- Close proximity to Argentina and Brazil, the largest centers of research excellence in South America.
- R&D institutes such as the Institute Pasteur together with a vast network of academic research groups and startups providing services, forming a functional innovation ecosystem for the development of R&D projects and centers.



Testimonial



'Institute Pasteur of Montevideo was founded in 2006, as an initiative of the Uruguayan and French governments. Uruguay was chosen for its strategic geographical position between Argentina and Brazil, allowing a leading interaction with the largest scientific and economic players of the region. The country also offers exceptional logistic benefits, providing easiness to import and export scientific chemicals and equipment, (almost) at the original price, which is a big difference with neighboring countries. In addition, there is a good ecosystem between the companies, the academy, and the government agencies that fund innovation projects, favoring the addition of values. Finally, Uruguay stands out for the quality of their people: researchers and students are very well qualified, and the country effectively attracts foreign talent'.

Luis Barbeito, Former Executive Director at Institut Pasteur.

PRODUCTION (MANUFACTURING)



Mega Pharma is a **pharmaceutical** company with a product portfolio commercialized in 18 Latin American countries and a total annual turnover exceeding US\$ 1 billion. With a current investment of over US\$ 100 million, in 2011 the company began the process of establishing its new **headquarters** together with a state-of-the-art **R&D Center** and **Manufacturing Site** in the free zone Parque de las Ciencias, which provides unique and redundant infrastructure capable of hosting industrial projects of such complexity. The new facilities allow Mega Pharma to continue its consolidation and expansion with almost unlimited growth capacity and under a stable and trustworthy legal regime.

GLOBAL SERVICES SECTOR IN URUGUAY

FIRMS:
+2.500



FTE:
+25.000

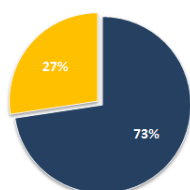


EXPORTS:
US\$ 3.400 M



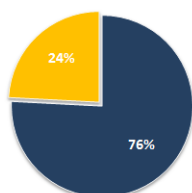
Over **80 main Global Services Centers**, including leading global brands, employ approximately **13,000** qualified workers.

■ FREE ZONE ■ OUTSIDE FREEZONE



73% of these companies are located in **free zones**, whereas the remaining **27%** are based in the **Metropolitan Area** of Montevideo.

■ CAPTIVE ■ THIRD PARTY



76% of these operations are **Captive Centers** (or in-house centers) while **24%** are **International Outsourcing Providers** (Business Process, Knowledge Process, and/or Information Technology Services).

GLOBAL SERVICES CENTERS - KEY PLAYERS

International Centers	Country of origin	Operati on in UY	Location in FTZ	FTEs*	Captive or Third Party	Logistics	Commerce & Services	IT
TCS	India	2002	ZA	2200	TP		✓	
Mercado Libre	Argentina	2011	AP-WTC	1300	C		✓	✓
Globant	Argentina	2010	AP-WTC	991	TP			✓
Sabre	USA	2004	ZA	930	C		✓	✓
BASF	Germany	2014		769	C		✓	
Alorica	USA	2011	AP	700	TP		✓	
Trafigura	Switzerland	2013	ZA	500	C		✓	
Adium Pharma	Argentina	2010	ZA	500	C	✓	✓	
Megalabs	Germany	2013	PDLC	455	C	✓	✓	✓
Avanza (Skytel)	Argentina	2006		400	TP		✓	
PedidosYa	Germany	2010		390	C		✓	✓
Despegar	Argentina	2010	ZA	350	C		✓	✓
RCI	USA	2005	ZA	335	C		✓	
IBM	USA	1938		330	C			✓
Syngenta	Switzerland	2016		300	C		✓	
Netsuite Oracle	USA	2012	WTC	300	C		✓	✓
Integer	USA	2014		295	TP			✓
Sonda	Chile	1992		260	C			✓
PEPSICO	USA	1955	ZFC	240	C	✓	✓	
RICOH	Japan	2010	ZA	216	C	✓	✓	
Merck	Germany	1989	ZA	200	C	✓	✓	
Tenaris	Italy	2003		180	C		✓	✓
Infocorp (Constellation Software)	USA	2020		176	C			✓
Atento	Spain	2006		165	TP		✓	
Overactive (Perficient)	USA	2008		160	C			✓
Amelay - Wabi	Argentina	2021	WTC	153	C		✓	✓
Wunderman Thompson	USA	2021	AP	150	TP		✓	
Ingenious Americas	USA	2016	AP	130	TP		✓	✓
Endava (Velocity Partners)	UK	2020		130	C			✓
Sportradar	Switzerland	2010	ZA	120	C		✓	
Bestseller	Denmark	2014	WTC	110	C		✓	
Willis Towers Watson	USA	2005	WTC	100	C		✓	
Dufry	Switzerland	2010	ZA	100	C	✓	✓	
Finning-Cat	Canada	2003	ZA	100	C		✓	
Topaz -Stefanini	Brazil	2012		100	C			✓
Verifone	USA	2006	ZA	90	C			✓
Aiva- Old Mutual	China	1994	ZA	90	TP		✓	
Cofco	Hong Kong	2002	WTC	85	C		✓	✓

International Centers	Country of origin	Operation in UY	Location in FTZ	FTEs*	Captive/ Third Party	Logistics	Commerce & Services	IT
Altisource	USA	2009	ZA	80	C		✓	
Etermax	Argentina	2013	WTC	80	C		✓	✓
Travel Leaders	USA	2011	AP	70	C		✓	
Louis Dreyfus Company	France	2002	WTC	70	C		✓	
The Hackett Group	USA	2013	WTC	70	C			✓
Microsoft	USA	1996		60	C			✓
Pluspetrol	Netherlands	2015	WTC	50	C		✓	
Arbusta	Argentina	2019		45	C			✓
Patria Inverimentos	Brasil	2020	ZA	40	C	✓		
Julius Bär	Switzerland	1994	ZA	40	C		✓	
Infragistics	USA	2008		40	C		✓	✓
Lexmark	USA	2004	ZA	40	C		✓	
Mundostar Itaú	Brazil	2013	AP	38	C		✓	
Roche	Switzerland	1947		36	C	✓	✓	
Knight Therapeutics	Canada	2016	WTC	30	C	✓	✓	
Abbott	USA	2016	ZA	30	C		✓	
Assist-Card	Switzerland	1998	ZA	30	C		✓	
Humphreys & Partners	USA	2011	WTC	30	C		✓	
Interfood	Netherlands	2011	WTC	30	C		✓	
Ripio	Argentina	2019	WTC	30	C			✓
Arcos Dorados	USA	2011	WTC	25	C		✓	
GIS Europa	Belgium	2012	WTC	25	TP		✓	
SunPartners	Switzerland	2015	WTC	24	TP		✓	
CBC	Guatemala	2018	ZA	23	C		✓	
Compass Group	USA	2010	WTC	22	TP		✓	

**FTE: Full time Employees*

AP = Aguada Park.





ZA = Zonamerica.

WTC = World Trade Center Free Zone.

PDLC = Parque de las Ciencias.

ZFC = Zona Franca Colonia.

ANNEX I: INVESTMENT PROMOTION REGIMES & TAX INCENTIVES

 LOGISTICS & DISTRIBUTION Cross-docking Postponement	 COMMERCE & SERVICES Sales - Trading - Procurement Shared Serv. Cent. - Holding	 INNOVATION IT solutions / R&D	 PRODUCTION Manufacturing
FREE PORT & AIRPORT LAW Goods exempt from domestic taxes and customs duties	TRADING CIT 0,75% SSC / CCR CIT 2-8%	SOFTWARE CIT 0% INNOVATION Tax credit up to 45% of the eligible R&D project costs	EXPORT TAX REFUND 3 - 6% of FOB value TEMPORARY ADMISSION VAT & customs duties exempt
INVESTMENT PROMOTION LAW SCIENTIFIC & INDUSTRIAL PARKS LAW CIT exemption up to 100% of investment			
FREE TRADE ZONE LAW 0% CIT and customs duties · Special tax and pension regime for expats			

Uruguay is largely compliant with OECD standards

* CIT: Corporate Income Tax.

This regime enables the investor to **pay less corporate income and wealth tax** (between 30% and 100% of the amount invested). That is to say, for all investment projects under this scheme and promoted by the Executive Branch, it is possible to compute as part of the tax payment (IRAE - Corporate Income Tax) between 30% and 100% of the invested amount, depending on the type of project and the score obtained relying on different indicators.

Free-Trade Zones Law

Free-trade zones can be operated by the State or duly authorized private entities. Trade, industrial or service activities are allowed in Free Trade Zones. Moreover, companies in free-trade zones can provide services to other countries and, in some cases, to Uruguay as well.

Benefits granted to companies set up in free zones are:

- **100%** Exemption from Corporate Income Tax (IRAE), Wealth Tax (IP) and any other current or future domestic tax. The State is the guarantor of this exemption.
- Dividends distributed among shareholders with residence abroad are also tax-exempt in our country.
- Foreign personnel may choose to contribute to social security in Uruguay or their country of origin. They can be subject to a **flat Personal Income Tax of 12%**.
- Sales and purchases of goods and services to and from abroad are VAT exempt. Sales and provision of services within Free Zones are also VAT exempt.

- Companies may commercialize and provide services to Uruguay as well. In this case there are no tax exemptions for these goods and services provided to Uruguay.
- Non-resident entities are also Corporate Income Tax exempt regarding activities developed with foreign goods declared in transit or kept within the free zone, when they are not bound for the national customs territory. They are also Corporate Income Tax exempt when sales bound for the national territory do not exceed 5% of the total disposal of goods in transit or kept within the free zone.
- Goods traded by Free Zones with the rest of the world are exempt from customs duties.
- Service companies may have up to 50% foreign personnel.

Free Ports and Airports Law

The Free Ports and Airport regime represents one of the mainstays for Uruguay to be positioned as a logistic platform in Mercosur and as a distribution center for goods in transit.



The only **free-trade ports**
on South America's Atlantic coast



One of 7 **free airports** in the world
and the only free airport in South America.

Montevideo is the **first terminal in the Atlantic Coast of South America to operate under a "free port" system**, while Carrasco International Airport is well-known for being the **only free airport in South America**. This scheme also applies to the commercial ports of Colonia, Fray Bentos, La Paloma, Nueva Palmira, Paysandú, and Puerto Sauce.

When operating in free ports and airports:

- goods circulate freely without the need for permits or formal procedures;
- goods are exempted from domestic taxes and import charges; and
- equity tax and Corporate Income Tax for foreign legal entities are exempted.

Apart from an attractive tax-exemption regime, Montevideo's free airport provides its clients with state-of-the-art, compliant facilities with full traceability operations enabling cost-efficient and safe distribution to the region. Moreover, its multimodal transport capabilities allow Carrasco International Airport to receive and dispatch cargo by land, sea or air.

With regard to free ports, since the adoption of the Uruguayan New Customs Code (C.A.R.O.U.), warehouses are not limited to those numbered by the article 2 of the Law Nº 16.246 and its regulatory decrees. The same have been expanded, covering a larger range of possibilities, all in accordance with the provisions of the C.A.R.O.U code.

- a) **Storage warehouse:** goods may only undergo operations aimed to: ensure the recognition, preservation, lot splitting or volume fractioning, and any other operation that does not alter their value or change their nature or state.

- b) **Commercial warehouse:** goods may undergo changes to facilitate their trading and increase their value. However, in order to enjoy the benefits of the originating goods, neither the tariff classification nor their originating nature shall be altered.
- c) **Overhaul and maintenance warehouse:** used for goods that may be subject to repair and maintenance services, not modifying their nature.
- d) **Temporary storage warehouse for exhibitions and similar activities:** storage of foreign goods entered for the purpose of trade shows, demos, fairs or similar activities, with previous authorization by the National Customs Directorate.
- e) **Logistics warehouse:** goods may undergo operations that alter their state or nature, provided their origin is not altered; those activities may consist of: assemblage or mounting; mixes; fitting or replacement of parts, pieces or accessories; setup of hardware; installation of software; packing, packaging, labeling or addition of other products always used for the marketing of goods that are to exit the warehouse; and other similar operations established by the Executive Power.

The regulation incorporated through the C.A.R.O.U. code establishes that goods that enter ports and airports may remain for a maximum of five years, which term is renewable.

Apart from the abovementioned customs benefits, the movement of goods and the rendering of services carried out within port and airport customs areas are all VAT exempt. Moreover, goods placed under the free port scheme are not included in the taxable base for Wealth Tax or Income Tax purposes.

As with the free zones system, merchandise under the free port and airport system does not lose its origin, whether if it is reexported in identical conditions as imported or subject to operations which did not alter the nature or origin of the product.

Industrial Parks and Science & Technology Parks

Currently, Uruguay has eight operating industrial parks. Companies settled in these parks, according to its user category, might receive the following benefits ([Decree 268/020](#)):

Additional CIT exemption

For companies that settle in a technology and industrial parks and present investment projects, the amount of the exempted tax and the term to benefit from the exemption is increased by 15%.

Users who carry out any of the following activities shall be eligible for this benefit:

- a) Industrial activities.
- b) Providing services such as storage, conditioning, selection, classification, fractioning, assembly, disassembly, handling or mixing of goods or raw materials, linked to the activities carried out in the park and belonging to the industrial value chain.
- c) Thermal and/or photovoltaic solar energy generation activities within the framework of promotional measures of the Executive Branch in force at the time of the presentation of the project, decrees, ministerial resolutions and/or contracts with UTE.
- d) Activities for the recovery and use of waste.
- e) Service activities in the areas of information and communication technologies, biotechnology, creative industries, given their potential to contribute to the objectives set out in Article 1 of Law N° 19.784.

For others user categories of users that might operate in these parks, the additional benefit reaches 5%.

Tax credit for employer retirement contributions

In addition, users who carry out the following activities might benefit from a tax credit for employer retirement contributions for the employment that is created by the investment project.

- a) Industrial activities.
- b) Provide services such as storage, conditioning, selection, classification, fractioning, assembly, disassembly, handling or mixing of goods or raw materials as long as they are exclusively linked to the activities carried out in the park

Trading Activities

In terms of trading activities, there is a law that rules a specific framework for the trading of goods or services, as long as they do not enter Uruguayan territory or aren't provided from Uruguay. The trading services themselves have to be delivered from Uruguay. In that case, **3% of the net profit is considered to be from a Uruguayan source**. Over that 3%, the Uruguayan corporate income tax (IRAE 25%) is applicable ([Resolution 51/997](#)).

Shared Service Centers (Decree 361/017)

90% exemption of Corporate Income Tax (IRAE) and Wealth Tax (IP) applicable to assets for a period of five years provided that:

- Companies create at least 150 new direct qualified jobs by the end of the first three years, which must be kept until the end of the fifth year. At least 75% of the jobs must be held by Uruguayan citizens (provisional reductions may be authorized).
- Company implement a Training Plan for Uruguayan employees of an outlay of at least 10,000.000 Indexed Units (approximately US\$ 1,300,000) during the aggregate of the first three years. Important note: this can be combined with the Finishing School training grants.

- Companies carry out new undertakings.

The exemption term shall be of ten years when (i) the minimum number of jobs exceeds 300 by the end of the first five years and are kept until the end of the exemption period; and (ii) the outlay in training exceeds UI 20,000,000 during the first six years.

Call Centers - VAT Exemption (Decree 187-018)

Call centers sales are VAT exempted when operating in Uruguay, no matter how much the company exports). This modified the condition of “principality” of the previous decree where, in order to get this tax exemption, call centers had to demonstrate that their exports represented at least 50% of their totals sales.

Contact centers

Decree Nr. 207/2008, amended by Decree Nr. 379/011 promotes all activity developed by Contact Centers (defined as provision of services performed by phone operators who receive or make telephone calls, Internet messages and use other types of channels) provided that the following conditions take place simultaneously:

- Generates a minimum of 100 positions of direct qualified work.
- Services are to be provided for the sole benefit of non-residents individuals located abroad.

Income originated from such activities is exempt from Corporate Income Tax (IRAE), for a period of 10 years from the year in which this incentive is requested (inclusive).

For applications submitted from January 1st, 2011, this exemption consists of:

- 100% when it exceeds 150 positions of direct qualified work.
- 70% when it exceeds 100 positions of direct qualified work.

Tax benefits for Global Services Companies located outside Montevideo

Activities carried out by service companies are granted relevant tax benefits:

- 90% exemption of Corporate Income Tax.
- 100% exemption of Wealth Tax applicable to assets involved in the promoted activities.

Service-exporting companies can have access to the aforementioned benefits if:

- the following ratio surpasses 60% each financial year:

$$\frac{\text{total remuneration costs for services rendered under an employment contract}}{\text{total remuneration costs rendered under an employment contract and out of it}}$$

- they are located within an 80 km radius from Montevideo’s city center;
- they generate at least 15 new direct qualified jobs at the end of the first two years;
- at least 50% of the personnel is Uruguayan (provisional reductions may be authorized);

- they provide services to at least 5 entities.

The tax exemption period will depend on the amount of new qualified jobs generated by the company: (i) 5 years when at least 15 new jobs are generated at the end of the first two years; (ii) 8 years when at least 30 new jobs are generated at the end of the first three years; and (iii) 10 years when at least 60 new jobs are generated at the end of the first four years.

Software Industry Incentives

Tax exemptions for software exports and related services:

IT companies may exempt a percentage of Corporate Income Tax (IRAE). Decree Nr 150/2007, section 163 bis distinguishes between products and services.

- Exemption for IT products:

The exemption refers to every product registered in the National Library, and may vary depending on the following ratio:

$$\frac{\text{software development direct costs} * 1.3}{\text{total software development direct costs}}$$

Numerator: development and services direct costs with non-related parties, whether they are residents or not; or with resident related parties.

Denominator: likewise, without considering the 30% raise, plus expenses and costs for intellectual property rights and hired services with non-resident related parties.

- Exemption for IT services:

This exemption refers to every accounting year. 100% as long as: a) the company employs full-time human resources in an appropriate number, highly-qualified and adequately paid; and b) the amount of direct expenses and costs in the country is greater than 50% of the total software development direct expenses and costs.

Tax credit for R&D activities: - Law Nº. 19.739

A R&D tax credit is available to companies that carry out R&D activities to the extent they are properly certified by the National Agency of Innovation and Research. The Law establishes the following caps to the tax credits to be given:

- 35% of the R&D expenses if they are executed totally within the company (*).
- 45% of the R&D expenses in case they are executed along with technological centres or universities that are properly certified (*).

(*)The Executive Branch establishes the eligible expenses.

For more information visit <https://www.anii.org.uy/apoyos/innovacion/253/beneficios-fiscales-para-id-de-empresas/>

Temporary Admission

This regime allows companies to import raw materials and supplies without paying import taxes, provided these are used to produce goods to be exported no later than 18 months. These goods can be reshipped both in the condition they were introduced ("as-is") or after having undergone specific transformation, manufacturing, repair or value-adding processes. Machinery and equipment of any origin, which enter into the country on a temporary basis for its repair, maintenance, update or use, are also protected by this system.

Interested industrial companies may apply for the import of goods under the Temporary Admission scheme with [LATU \(Laboratorio Tecnológico del Uruguay –Uruguay’s Technological Laboratory\)](#), the authorizing entity.

This law further offers [Stock-taking](#) and [Draw-back](#) mechanisms. The Stock-taking mechanism consists of replacing goods imported under the general scheme with the import of similar goods, free from taxes and levies, when they have been used as input for the transformation of exported products in the country. The Draw-back mechanism gives the possibility to claim the refund of taxes and levies paid for the import under the general scheme of goods which, by definition, can be imported under temporary admission and which were used in the country for the manufacture of products bound for export.

For more information visit <https://www.gub.uy/ministerio-economia-finanzas/politicas-y-gestion/regimen-admision-temporaria>.

Export Tax Refund

This benefit allows exporting companies to receive a refund¹ of 3% to 6% of the exported value as long as the goods reach a **minimum national added value of 20%**. In some particular sectors, e.g. automotive, refunds can reach 10% of the customs export value.

Companies interested in this benefit must submit a request to the [Ministry of Economy and Finance \(MEF\)](#) signed by the owner or representative of the company, adding an ID photocopy and the completed form attached. Once the Ministry of Economy and Finance receives all the documentation, it will proceed with the evaluation of the request in accordance with Decree 487/997 and its associated regulations.

For more information visit <http://apc.mef.gub.uy/20228/3/areas/devolucion-de-tributos-a-la-exportacion.html>

¹ It is an indirect tax refund system, by virtue of which exporters can recover domestic taxes which make up the cost of the exported product.

OTHER INCENTIVES

Cross border e-commerce

Uruguay is a very attractive location to provide e-commerce services to the region.

In accordance with [Resolution Nº 89/2012](#) issued by the National Customs Authority, goods stored in authorized customs warehouses (inside or outside the port) can be exported under the International Orders Regime directly by Simplified Message. This means that Single Administrative Documents (SAD), Customs Brokers, seals of approval and transit guides are not required. In order to comply with the International Orders Regime, the service must be provided by an authorized postal operator (OPCE - private couriers or the National Postal Service).

Youth Employment Law Nr. 19.133

In order to promote youth employment, companies receive a subsidy from the State which is paid as credit to pay social security obligations to BPS (Bank of Social Security in English).

Private-sector companies or institutions may apply to the Youth Employment Program through [Via Trabajo](#) website.

It is important to take into consideration that the maximum hiring cap corresponds to 20% of the company's permanent staff. Firms with fewer than 10 workers may hire a maximum of 2 young people.

Depending on the following categories, the company or institution that hires young employees will be subsidized accordingly.

New recruitments:

- **First work experience:** it allows hiring young people between 15-24 years old who do not have any previous work experience. The hiring period goes from 6 months up to 1 year and the firm will be subsidized 25% of the employee's salary, being the maximum amount of the subsidy a 25% of UYU 22.729 (preset value for 2021 in Uruguayan Peso).
- **Youth protected work:** it allows hiring young people between ages 15-29 who live in socioeconomic vulnerability. The hiring period must be from 6 months to a maximum of 18 months. The percentage of subsidy corresponds to 80% of the employee's remuneration for women and 60% for men.
- **Working practices for graduates:** It allows hiring young between ages 15-29 for a maximum period of 12 months. The employee must have previously studied a degree and the working practice must be related to it. The company receives a subsidy for 15% of the employee's salary.

Internships and Training:

Internships: Aimed to young people aged between 15-29 years old who are currently studying. The program requires an internship related to their studies.

The practice can be paid or unpaid.

If the student receives a salary, up to 50% of the employee's remuneration will be subsidized.

An unpaid internship may not exceed the total 120 hours of the course, though, if it is a paid internship, the days and hours of the training practice must be agreed between the educational institution and the training company.

Benefits for students already working at a company:

In order to prevent labor market access from causing drop outs in the education system, the Youth Employment Law provides an extension of study leaves granted by Law N°18.458 (*) and working hours reduction.

- **Study leave:** aimed to young people aged between 15-29 years old. Companies are granted a 80% subsidy of the employee's salary per extra day of leave, being 8 the maximum amount of extra days that can be granted.
- **Working hours reduction:** aimed to young people aged between 15-29 years old. Companies are granted an 80% subsidy of each reduced hour's value, being 4 the maximum amount of working hours that can be reduced. The minimum length of the aforementioned benefit is one week and the maximum two months per year.

For more information please visit: <https://www.bps.gub.uy/10371/empleo-juvenil.html>

(*) Law N°18.458 already grants the worker an annual 9-day study leave.

Tax Residence in Uruguay

The concept of "tax resident" was introduced for the first time in the Tax Reform Law N° 18.083, one of the pillars of the new Uruguayan income taxation regime.

Requirements to obtain Tax Residence in Uruguay:

A taxpayer has their tax residence within the national territory if any of the following conditions are met:

- **The taxpayer stays more than 183 days during a calendar year within the Uruguayan territory.** In order to determine their presence within the national territory, sporadic absences would be computed in the conditions set forth by the regulation, unless the taxpayer proves their tax residency in a different country (which should be proved through a certificate of residence issued by the competent tax authority of the corresponding country).

- **The taxpayer has their main base of activities within the national territory.** That is to say, when the volume of income generated in Uruguay exceeds the volume obtained from any other country.
- **The taxpayer's vital interests are within the national territory.** It shall be presumed that the taxpayer has vital interests in Uruguay when their spouse/husband and under-age children who depend on him/her reside within the Uruguayan territory, provided that the spouse is not legally divorced and the children are subject to parental authority. If there are no children, the presence of the spouse is sufficient.
- **The taxpayer's main economic interests are within the national territory.** Unless the taxpayer proves their tax residence in another country, the aforementioned circumstance happens when the individual has in Uruguay:

Decree No. 163/2020

- An investment in real estate property for an amount greater than 3,500,000 Indexed Units (approximately USD 380,000); or
- An investment (direct or indirect) in a company whose value is greater than 15,000,000 Indexed Units (approximately USD 1,600,000). In addition, the investment must create at least 15 new jobs (full-time positions) during the calendar year. Only positions created as of July 1, 2020 and not connected to a reduction in a related-party investment are treated as 'new jobs' for the purposes of this requirement.

Individuals must be physically present in Uruguay for at least 60 days during a calendar year in order to be considered as Uruguayan residents for tax purposes.

Tax Holiday. Capital gains from movable property originated in deposits, loans and, in general, upon any other placement of capital or credit of any nature, which are paid by a nonresident entity and obtained by a PIT-IRPF taxpayer are subject to PIT-IRPF taxation (this situation is an exception to the source's principle which governs Uruguayan tax law). However, the tax regulations state that the individuals who acquire the condition of Uruguayan tax resident would be able to choose to be subject to the Non-Resident Income Tax (NRIT) in the fiscal year when the change of residence is verified and during the following ten fiscal years. Such option shall be chosen only once and exclusively related to the capital gains afore-mentioned. This option entails that during such period of time the "new" tax resident shall not pay taxes for such income from capital gains.

Proof of Tax Residence in Uruguay. The Tax Office (Dirección General Impositiva - DGI) is the competent authority for the issuance of certificates which prove tax residency in Uruguay.

Loss of foreign Tax Residence. It is important to consider that receiving tax residence in Uruguay does not mean the individual would lose their tax resident status in their country of origin, this will depend on the legislation applicable in each jurisdiction.

Tax Residence vs Legal Residence. It should be taken into account that being a legal resident in Uruguay does not imply being a tax resident, nor the other way around, as both are independent concepts.

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.

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