



BUSINESS & INNOVATION HUB

TECH INDUSTRY



Uruguay XXI
INVESTMENT, EXPORT AND COUNTRY
BRAND PROMOTION AGENCY



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URUGUAY BUSINESS & INNOVATION HUB - #1 IN LATAM

Uruguay is the most reliable country to do business in one of the most economically attractive regions in the world. It holds a favorable business climate, social and political stability, respect of rule of law and the highest performance in ESG factors.

A solid track record that offers certainty, attractive tax benefits, a dynamic innovation ecosystem, peaceful lifestyle, and high potential for improving regional business efficiency, are some of the reasons why several global and regional companies have chosen Uruguay as a hub.



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

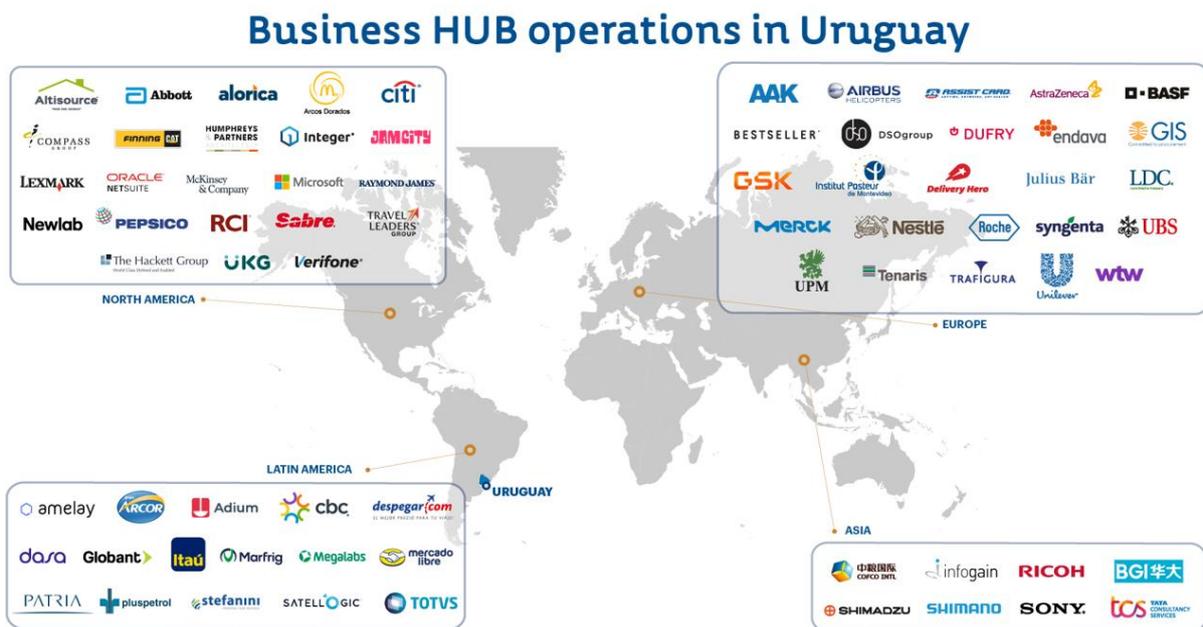
Uruguay consistently leads Latin America and the Caribbean rankings relevant to potential investors.

 Democracy Index (Economist Intelligence Unit, 2022) #1	 Rule of Law Index (World Justice Project, 2022) #1
 Low corruption (Transparency International, 2022) #1	 Social Mobility (World Economic Forum, 2020) #1
 Civil Liberties (Freedom House, 2022) #1	 E-Government Development Index (United Nations, 2022) #1

As a Business and Innovation HUB, Uruguay provides opportunities and display success stories around two main models:

- 1) **Global Services** - aimed at promoting the centralization of activities in different platforms (trade, logistics, corporate and financial services, creative services, IT development, R&D, datacenters) usually combined, to provide the region, the Americas, or the world.
- 2) **Sustainable production** - including renewables / energy transition, agribusiness, food, and other manufactures (i.e.: pharmaceutical, medical devices, chemical, satellites.).

In the past 20 years, Uruguay has become a target location for Global business Centers.



Especially for tech companies, the business platforms and success stories range from the centralization of commercial activities or business support, regional headquarters, development centers of excellence, R&D, prototyping and advanced manufacturing¹, as well as the location of data centers.

¹ Prototyping and manufacturing of small satellites and implantable biomedical medical devices are de most well known stories.



OVERVIEW OF THE URUGUAYAN IT SECTOR

The **early development of education in the IT area** (1968), the implementation of development centers in large companies and the generation of business leaders resulted in the development of professional capabilities and competitive tech companies. These firms have managed to take advantage from "Uruguay's scale" for the implementation and testing of potential global solutions.

The early internationalization achieved by Uruguay allowed the country to become the first software exporter per capita in South America, and the third in absolute values. Uruguayan IT companies export to 52 different markets. United States ranks first in Uruguay's top list of software export destinations (70%)



In addition to the global companies and regional unicorns that have chosen Uruguay as a hub for their operations, the country has interesting success cases in the generation of innovative companies with international recognition and potential to be acquired or accelerated ²

Success of Uruguayan Tech companies



The base of these Tech success stories is the highly qualified talent. Let's see some figures:

First, Uruguay has the highest literacy rate in Latin America: 98%. Free public education is provided from kindergarten through university. Also, 4% of the country's GDP is invested in education and 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.

Human resources in Uruguay are highly competitive due to the high quality of basic, technical, and university training, and the flexibility of Uruguayan workers to adapt to new technologies.

A complete academic offer with both public and private universities and schools



² More information about Uruguayan companies, Merge & Acquisition and Investment process is available in Annex 1 "Uruguay IT Success Stories."

A strong and agile network of support institutions



Two relevant initiatives that strengthen the value proposition of Uruguay as an innovation hub:

NEWLAB is a multi-disciplinary technology center. Housed in Building 128 of the Brooklyn Navy Yard, serves as a hardware-focused shared workspace, research lab, and hatchery for socially oriented tech manufacturing. Using the MIT Media Lab as a model, the impetus for the independent organization was to provide space and services to new manufacturing enterprises. Current members work in fields such as robotics, connected devices, energy, nanotechnology, life sciences, and urban tech.

In 2022 New lab has started operation In Uruguay by signing an agreement with de Uruguayan ministry of industries and supported by private investors.

 **Microsoft** In 2022, **Microsoft** announced that Uruguay will host its AI & IoT Insider Lab in Montevideo, the first of its kind in Latin America and the third outside the United States, since today there are only two, one in China and one in Germany. This laboratory will help solve various technological challenges of organizations in the region, as well as obtain expert guidance and recommendations to realize the full potential of artificial intelligence and the Internet of Things.

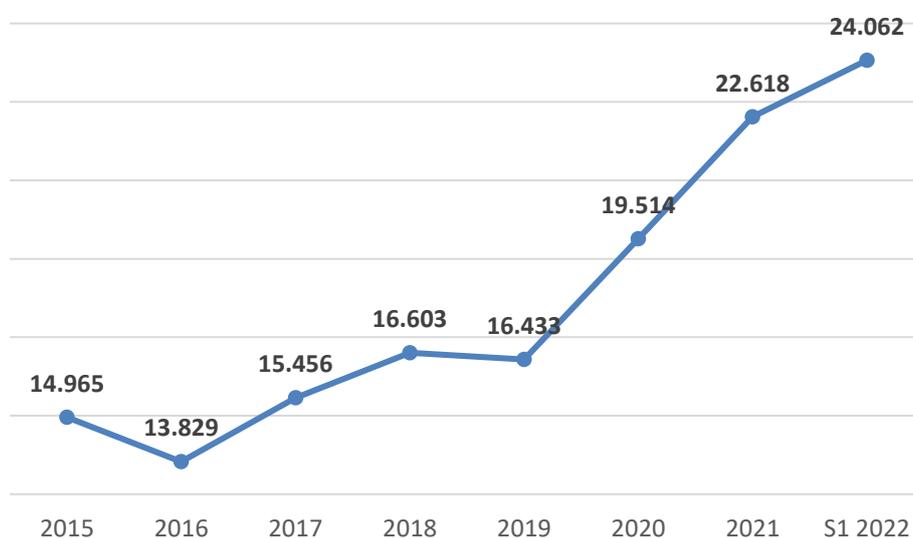
“We are extremely excited about what this new AI and Cloud Laboratory will achieve to promote the country's technological development in conjunction with local creativity and vision. Uruguay has proven to be a focus of innovation at the international level and initiatives like this reflect the great opportunity that the market has to accelerate the digital transformation of the region”, commented the president of Microsoft Latin America, **Rodrigo Kede Lima**.

TALENT POOL

Around 60% of Uruguay's labor force is concentrated in the metropolitan area of Montevideo ³.

Dec. 2022	Country Total	Metropolitan area
Population	3,543,026	1,994,701
Productive Population	62,7%	63,1%
Labor force	1,826,900	1,101,852
Unemployment rate	7,9%	7,1%

Total number of employees in the IT sector ⁴



Skilled immigration

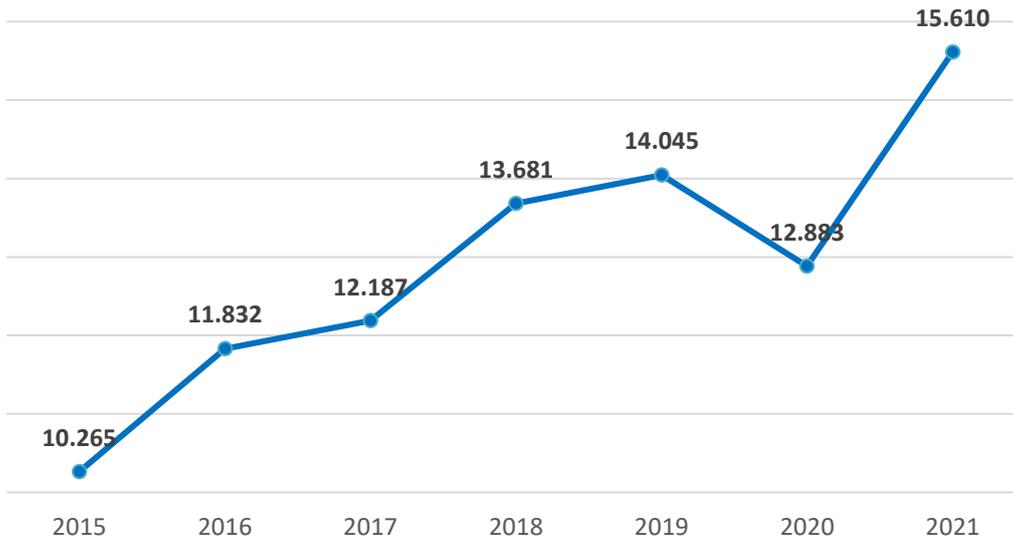
Uruguay has become a very attractive destination for many expats, mainly because of its quality of life and stability. For the last 12 years, Uruguay has experienced uninterrupted immigration flows, receiving residency applications not only from neighboring countries such as Argentina and Brazil, but also from other countries like India.

**Migratory flows to Uruguay have grown 52%
in the last five years**

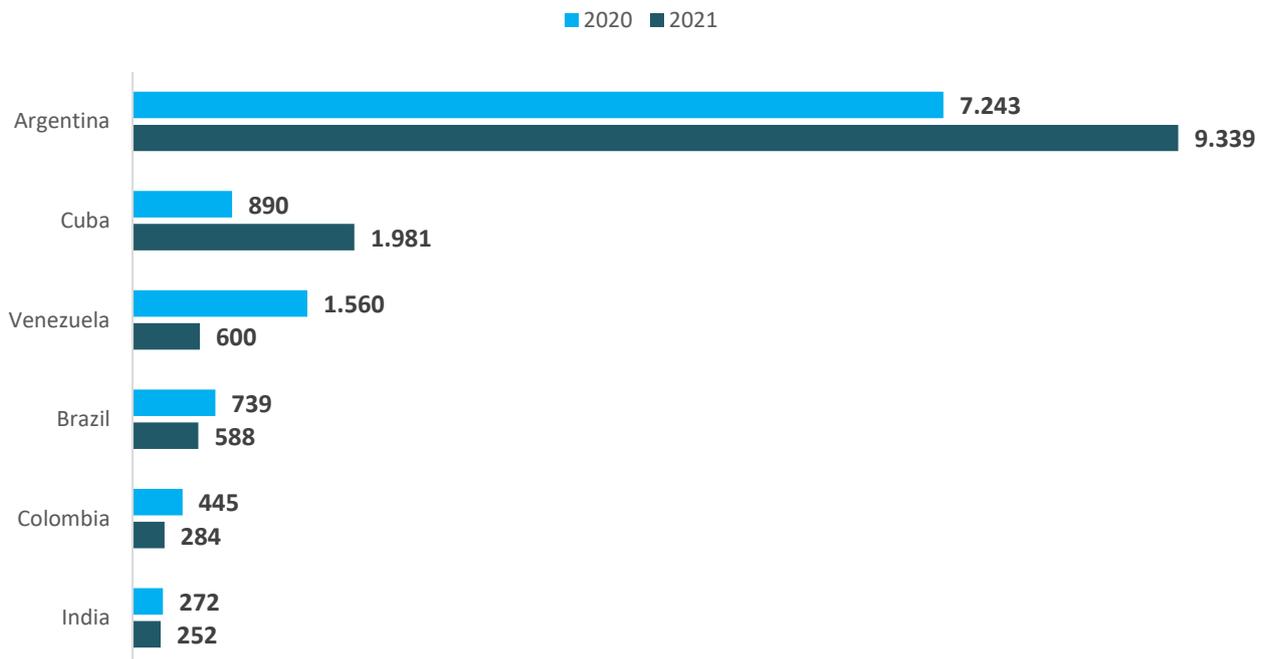
³ Sources: Uruguay XXI based on the Continuous Households' Survey, National Statistics Institute.

⁴ Source: Uruguay XXI based on the Continuous Households' Survey, National Statistics Institute.

Total number of residence permits issued per year



Top 6 – Residence permits issued by country of origin



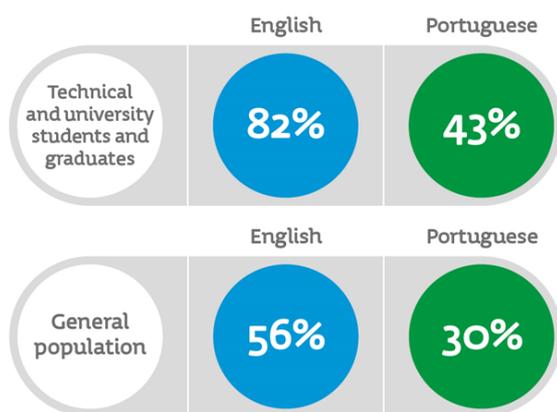
50% have completed tertiary levels
and **23%** have master's degrees

Multilingual talent

The commitment to quality training has led Uruguay to have multilingual professionals.

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 '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.



Source: ETI 2019, ECH 2018 - 2019

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

If we focus on technical/university students and graduates, this percentage rises to 82% in English and 43% in Portuguese (even at a native level due to the shared border with Brazil).

This talent pool makes Uruguay an ideal location to provide services to Brazil, the United States or Europe.

Digital inclusion: One Laptop Per Child Program.



[Ceibal](#) is an initiative launched by the Uruguayan government in 2007, based on the [One Laptop Per Child \(OLPC\)](#) program of the Massachusetts Institute of Technology (MIT).

Because of it, 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.

Supporting talent development-tools provided by Uruguay XXI

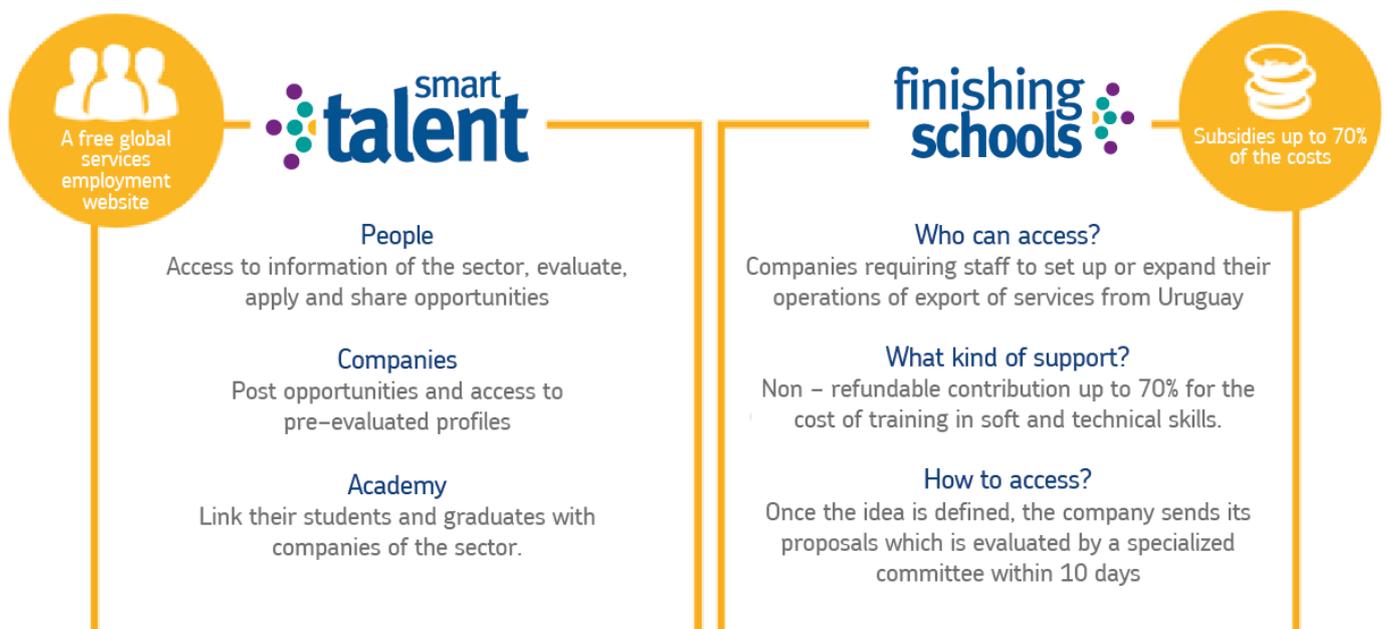
The [Finishing Schools program](#) **subsidies up to 70% of training-on-demand costs**. This grant can be used for a third-party supplier or even for internal trainers in the company, either for the initial set up or to expand the current operations in the country. This tool is developed by [Uruguay 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 50,000 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

EASE FOR DOING 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 domestic or foreign currency. Furthermore, there is a single national tax system.



The most relevant benefits for global IT firms are:

- **100% exemption of income tax** when the company employs an adequate amount of employees and resources (Decree 150/2007). More info in Annex III
- IT Companies are allowed to hire university graduates under a non-dependent employment relation (Decree 258/2007)⁵.

Also, the Investment Law (up to **100% return on investment**), the free trade zones⁶ (**100% tax exemption**) and **Finishing Schools** (grants up to 70% for **training programs**). The free zone areas located in the metro area of Montevideo and specialized in professional services are: **Zonamerica**, **World Trade Center**, **Aguada Park**, and **Parque de las Ciencias**⁷.

⁵These professionals will invoice the company for their fees.

⁶Free zones have operated in Uruguay for more than 25 years. They are **exempted from ALL taxes** (net income tax, VAT, customs duties, property taxes, etc.). **Dividends paid** to shareholders are never taxed or retained. No VAT or customs taxes are waived for constructions or equipment needed for operations in free zones.

⁷ Some IT companies operating from Free Zones are Globant, Mercado Libre, Sabre Holdings, TCS and Verifone.

QUALITY OF LIFE



Lifestyle

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

Uruguay stands out for being a pleasant country to live in, safe and open, and for having a vast cultural, gastronomic and educational offer.

Montevideo (its capital), Punta del Este and other cities offer excellent living conditions for executives and their families, including free, well-equipped health services and education.



Health



Education



Commuting



Recreation

According to [Mercer's 2019 Global Quality of Living Ranking](#), 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.

SUM-UP OF OUR TECH VALUE PROPOSITION

Tech companies interested in Uruguay as a platform to expand their solutions globally may take advantage of some outstanding factors, such as:

- 1.** The experience of the Uruguayan IT industry in the development of **world class solutions**: Uruguay has become an international supplier of high-quality IT solutions with more than 500 tech companies (2022). This growth process makes Uruguay the leading software exporter per capita in South America, and 3rd in absolute terms. Your company would be immersed in a mature IT market surrounded by experienced solution providers.
- 2.** The existence in Uruguay of a coordinated and accessible **TECH and entrepreneurial ecosystem** with investment opportunities, not only in existing companies (M&A opportunities) but also in the development of new undertakings. Recently, innovation capabilities for challenge solving and acceleration of go-to-market have been strengthened with the start of operations of **NewLab** and **Microsoft Lab** (AI/IOT). Uruguay also offers a dynamic biotechnology-based ecosystem, including more than 150 research groups, a strong network of research institutions like Pasteur Institute, as well as incubators owning state-of-the-art technology platforms.
- 3.** Uruguay is an ideal **test-bed country** to develop innovations and try new technologies, given its nature as a small, orderly, and transparent country with easy access to decision makers.
- 4.** The renowned **quality of the Uruguayan talent** recognized by its adaptability to new technologies, skills in a wide range of programming languages and development tools, and a high level of specialization in various vertical sectors.
- 5.** A **regulatory framework** that promotes the internationalization of tech companies operating from Uruguay, through significant tax exemptions (up to a 100% Corporate Income Tax exemption).
- 6. Modern ICT infrastructure** positions Uruguay as Latin America's most advanced country in:
 - The Information Technology and Communication's Development Index of the International Telecommunication Union.
 - The degree of penetration of Internet and mobile phone users, with 79.6% of penetration of LTE lines in population.
 - The Internet download and upload speed since the installation of the optical fiber.
 - 81% of households with broadband connections.
 - 100% of schools, high schools and universities have optic fiber.
 - Uruguay hosts one of the biggest and most modern data centers of Latin America and the world.

TESTIMONIALS

The Verifone logo features the word "Verifone" in a bold, black, sans-serif font. A blue checkmark is positioned above the letter 'i'.

'Verifone operates in Uruguay since 2006 when Trintech operations were acquired. Since that time up to now the diversity of skills and talented staff found in the country has allowed to consolidate Uruguay as one of the Centers of Excellence from where we provide support and services for our customers around the world'.

Rafael Cuenca. Former VP Engineering, Verifone.

The Oracle Netsuite logo consists of the word "ORACLE" in red, uppercase, sans-serif font, with a red checkmark above the 'A'. Below it, the word "NETSUITE" is written in black, uppercase, sans-serif font.

'Netsuite started business in Uruguay on May 2012 by acquiring two Uruguayan companies. Uruguay was a key component to start a whole new strategy of an e-commerce product called SuiteCommerce. We are creating the product and providing the implementation service from Uruguay to customers in the whole world'.

Diego Terra. Former E-Commerce Director, Netsuite.

The Globant logo features the word "Globant" in a bold, black, sans-serif font, followed by a green chevron pointing to the right.

'The main problem of our industry is the lack of talents, and in Uruguay there are very competitive human resources. We need a mixture of technically good people for software development and also with English language skills, because they have to work with English speaking clients continuously. Uruguay is one of the places where we found the best mixture of both conditions'.

Bernardo Manzella. Former Country Manager, Globant.

The Sabre logo features the word "Sabre" in a bold, red, italicized, sans-serif font.

*'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. In Uruguay the company provides **customer service, technical support, sales, marketing and IT development**. All those functions are performed from Uruguay because of the quality of the local talent. 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, Sabre.

The Sumo Digital logo features a red circular icon with a white stylized 'S' inside. To the right of the icon, the word "SUMO" is written in bold, black, uppercase, sans-serif font, with "DIGITAL" in a smaller, black, uppercase, sans-serif font below it.

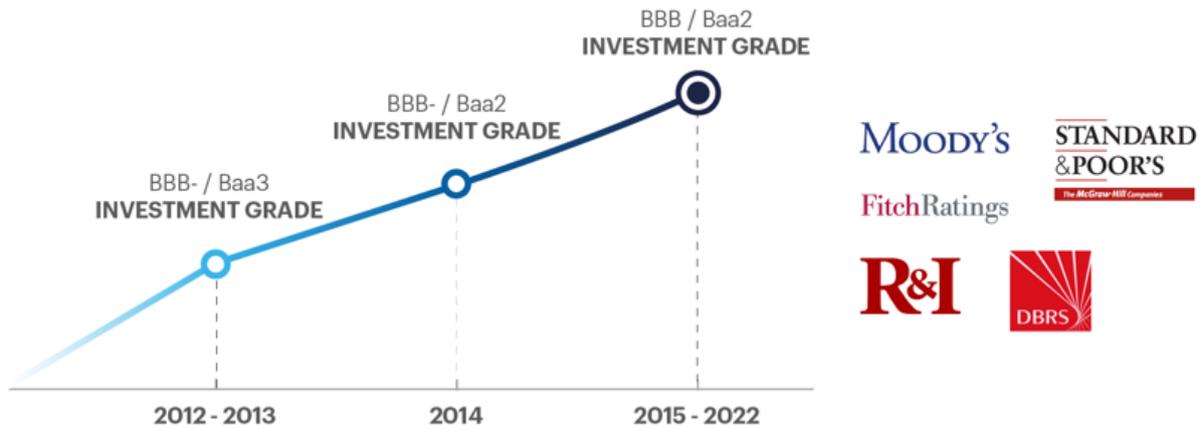
'I really enjoyed my time in Uruguay. Before I arrived, the only games studio I knew about was Ironhide. I was pleasantly surprised to discover a thriving gaming community and ecosystem. Small but growing, I was impressed by the passion and creativity of Uruguay's indie studios, and see a bright future ahead for their games industry'.

Ian Livingstone. Non-Executive Chairman, Sumo Digital.

SUPPLEMENTARY DATA

INVESTMENT GRADE & ESG PERFORMANCE

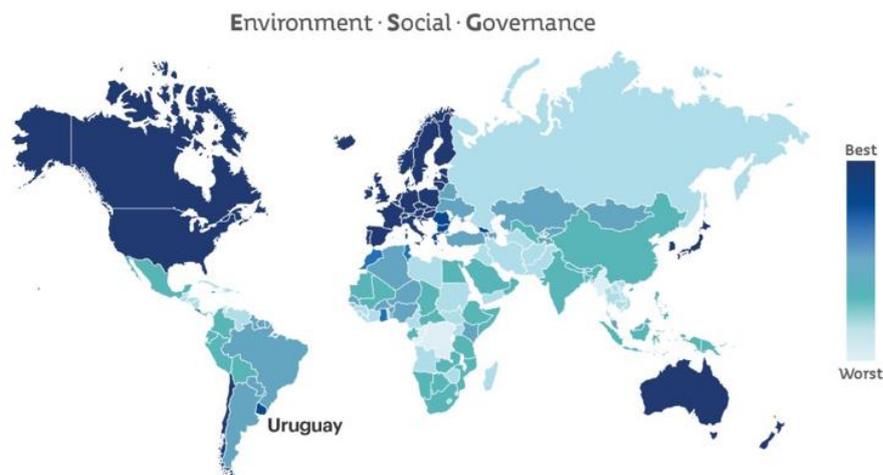
Uruguay is recognized for its orderly management of public debt and for its **fiscal stability**. The three major credit ratings agencies Fitch, Moody's, and Standard & Poor's, have all ratified the country's **investment grade**.



Uruguay is among the world's leading economies for investment, according to the ESG Index that considers 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.

WORLD CLASS FACILITIES

Business parks such as [Zonamerica](#) and [Parque de las Ciencias](#) are located five minutes from Carrasco International Airport and 30 minutes from the Port of Montevideo. Furthermore, [Aguada Park](#) and [World Trade Centre Free Zone](#) are strategically located in downtown Montevideo, close to universities, enabling young employees to continue studying while working.

young employees to continue studying while working.



Aguada Park



LATU – Laboratorio Tecnológico del Uruguay



Parque de las Ciencias



World Trade Center



Zonamerica

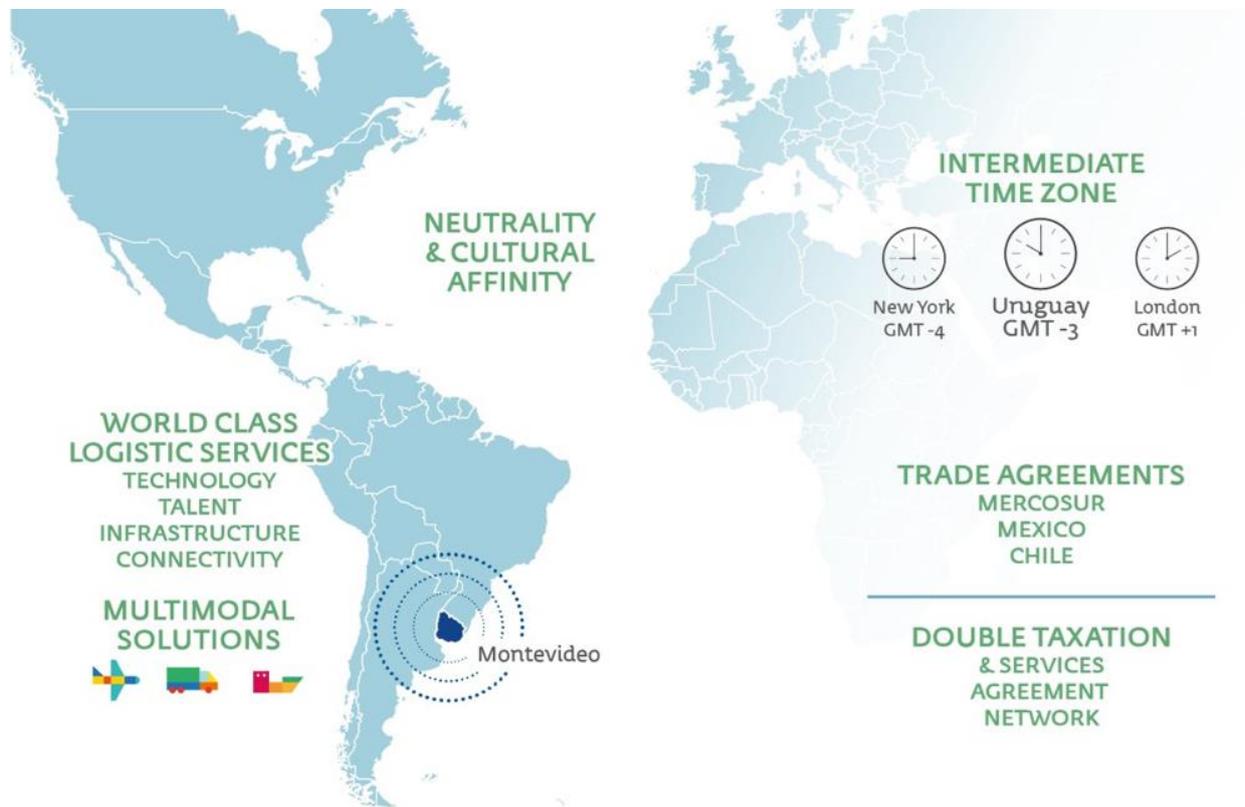
LOCATION

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 almost 400 million people, which represents 76% of Latin America's GDP.

The country 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 location to provide support services to those markets.



A country that empowers digitalization

- **Subsea fiber optic cables jointly developed with Google.** Monet, Tannat and the recently approved Firmina, which will be the longest cable in the world running from the East Coast of the United States to Argentina, with an additional landing in Punta del Este, Uruguay.
- **Tier III Data Centers** able to provide user-focused solutions.
- **Public investment in telecom infrastructure.** Uruguay has the largest fiber optic coverage in Latin America with more than 23,000 Km and 77% of households with broadband connections.
- **A well-developed IT ecosystem** placed at the forefront of technology in the world.
- **Digital Nations.** An international forum of leading digital governments in which Uruguay participate since 2018 together with Canada, Denmark, Estonia, Israel, Mexico, New Zealand, Portugal, South Korea, 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).

SUCCESS STORIES



GeneXus is a software development platform based on the automatic knowledge management created by the Uruguayan company Artech.

Currently, more than 8,500 companies worldwide use GeneXus, and a large network of international offices and distributors allows the company to be present in more than 45 countries. In 2022, Globant, the digitally native technology services company, announced a definitive agreement to acquire Genexus. With this operation, Globant became one of the first leading digital players to invest in a low-code platform as a tool to deliver faster and high-quality digital transformation.



Ironhide Game Studio is a Uruguayan gaming company responsible for the creation of The Kingdom Rush saga, which made its way to the first spot of

Apple Store, following its predecessor Iron Marines, both success in marketplaces of Asia, Europe and US.



PedidosYa is the delivery market leader in Latin America. With more than 1,200 employees located in Uruguay and about 55,000 restaurants in more

than 400 cities, the company was acquired in 2014 by Delivery Hero, the world's leading delivery platform.



The Electric Factory is one of the most important creative innovation groups in LATAM. They provide digital technology solutions to agencies and brands worldwide, combining creativity, strategy, and technology. With more than 15

years of experience solving complex challenges they have implemented more than 2,500 projects for renowned brands such as Google, Nintendo, Samsung, and Coca-Cola.



dLocal is an all-in-one payment platform connecting global merchants to over 600 payment methods in Africa, Asia, and Latin America. In 2020, the company

was valued at USD 1.2 billion and became the **first Uruguayan unicorn** after raising USD 200 million from General Atlantic and Addition Capital.

Most recent **Merge & Acquisition** and investments in Uruguayan IT companies⁸.

Type	Year	Uruguayan company	Foreign company	Country of origin
Acquisition	2023	Nooka Labs	PhData	USA
Investment	2023	Scanntech	Warburg Pincus	USA
Acquisition	2022	Datalogic	Vesta Software Group	UK
Acquisition	2022	Cualit	The Sandbox	Canada
Acquisition	2022	Genexus	Globant	Argentina
Acquisition	2021	K2B	Constellation Software	Canada
Acquisition	2021	GeneXus Consulting	Constellation Software	Canada
Acquisition	2021	Overactive	Perficient	USA
Acquisition	2021	Infocasas	Frontier Digital Ventures	Malaysia
Investment	2021	dLocal	Alkeon Capital y D1 Capital Partners	USA
Acquisition	2021	Kona	Technisys SA	USA
Investment	2021	S1Gateway	Patagonia Capital Partners (PCP)	Argentina
Investment	2020	Memory	Siigo	Colombia
Investment	2020	dLocal	General Atlantic	USA
Acquisition	2020	Infocorp	Constellation Software	Canada
Investment	2020	MonkeyLearn	Uncork Capital y Bling Capital	USA
Investment	2019	Prometeo	Latinia Interactive Business SA	Spain
Investment	2019	Meitre	Andreessen Horowitz	USA
Merge	2018	Velocity Partners	Endava	UK
Investment	2018	Ingenious	Daten Tecnologia	Brazil
Acquisition	2018	GlamST	Ultra Beauty	USA
Investment	2018	Bankingly	Elevar Equity, The Rise Fund & Endeavor Catalyst	USA
Acquisition	2017	Paygroup	Evertec	USA
Investment	2017	InfoCasas	Frontier Digital Ventures	Malaysia
Acquisition	2016	Manentia	Technisys	Argentina
Acquisition	2014	PedidosYa	Delivery Hero	Germany
Merge	2013	PayTrue	EFT Group	Chile
Acquisition	2012	SouthLabs	Infragistics	USA
Acquisition	2012	Cubox	Digital Garage	Japan
Acquisition	2012	Top Systems	Stefanini	Brazil
Merge	2012	IPCom	Mobileum	USA
Acquisition	2012	GProxy	Netsuite	USA
Acquisition	2012	Crovat	Batanga Media	USA
Investment	2011	PedidosYa	Kaszek Ventures	Argentina
Investment	2011	PedidosYa	Atómico Ventures	UK
Investment	2010	Scanntech	Sequoia Capital	USA
Investment	2009	Scanntech	Austral Capitals	Chile

⁸Source: Uruguay XXI based on FDI Markets data, publications on communications media, and qualified informants consulted by Uruguay XXI.

KEY PLAYERS

Company	Country of origin	Operation in UY	Location in FTZ	FTEs*	Captive/ Third Party	Logistics	Commerce & Services	IT
TCS	India	2002	ZA	2841	TP		✓	
Mercado Libre	Argentina	2011	AP-WTC	1669	C		✓	✓
PedidosYa	Germany	2010		1257	C		✓	✓
Alorica	USA	2011	AP	1025	TP		✓	
BASF	Germany	2014		1020	C		✓	✓
Sabre	USA	2004	ZA	981	C		✓	✓
Globant	Argentina	2010	AP-WTC	773	TP			✓
Sonda	Chile	1992		544	C			✓
Megalabs	Germany	2013	PDLC	478	C	✓	✓	✓
Avanza (Skytel)	Argentina	2006		472	TP		✓	
Trafigura	Switzerland	2013	ZA	441	C		✓	
Adium Pharma	Argentina	2010	ZA	420	C	✓	✓	
Ingenious Americas	USA	2016	AP	356	TP		✓	✓
Oracle Netsuite	USA	2012	WTC	353	C		✓	✓
RCI	USA	2005	ZA	341	C		✓	
Syngenta	Switzerland	2016		341	C		✓	
Integer	USA	2014		337	TP			✓
Sportradar	Switzerland	2010	ZA	278	C		✓	
Atento	Spain	2006		261	TP		✓	
Endava (Velocity Partners)	UK			255	C			✓
RICOH	Japan	2010	ZA	253	C	✓	✓	
Despegar	Argentina	2010	ZA	242	C		✓	✓
Merck	Germany	1989	ZA	197	C	✓	✓	
PEPSICO	USA	1955	ZFC	185	C	✓	✓	
Wunderman Thompson	USA	2021	AP	180	TP		✓	
IBM	USA	1938		174	C			✓
Topaz -Stefanini	Brazil	2012		164	C			✓
Pluspetrol	Argentina	2015	WTC	158	C		✓	
Overactive (Perficient)	USA	2008		153	C			✓
Tenaris	Italy	2003		117	C		✓	✓
Cofco	Hong Kong	2002	WTC	102	C		✓	✓
Infocorp (Constellation Software)	USA	2020		94	C			✓
Bestseller	Denmark	2014	WTC	88	C		✓	
Verifone	USA	2006	ZA	86	C			✓
Willis Towers Watson	USA	2005	WTC	83	C		✓	
Finning-Cat	Canada	2003	ZA	80	C		✓	
Etermax	Argentina	2013	WTC	79	C		✓	✓
Travel Leaders	USA	2011	AP	70	C		✓	
Amelay - Wabi	Argentina	2021	WTC	67	C		✓	✓

Company	Country of origin	Operation in UY	Location in FTZ	FTEs*	Captive/ Third Party	Logistics	Commerce & Services	IT
Altisource	USA	2009	ZA	66	C		✓	
UKG	USA	2017		62	C		✓	✓
Aiva TPA Services	China	1994	ZA	61	TP		✓	
Microsoft	USA	1996		60	C			✓
Louis Dreyfus Company	France	2002	WTC	57	C		✓	
Humphreys & Partners	USA	2011	WTC	52	C		✓	
SunPartners	Switzerland	2015	WTC	52	TP		✓	
Dufry	Switzerland	2010	ZA	49	C	✓	✓	
Arbusta	Argentina	2019		45	C			✓
Arcos Dorados	USA	2011	WTC	45	C		✓	
Interfood	Netherlands	2011	WTC	44	C		✓	
Assist-Card	Switzerland	1998	ZA	43	C		✓	
Lexmark	USA	2004	ZA	40	C		✓	
Roche	Switzerland	1947		36	C	✓	✓	
CBC	Guatemala	2018	ZA	32	C		✓	
Mundostar Itaú	Brazil	2013	AP	29	C		✓	
Abbott	USA	2016	ZA	24	C		✓	
The Hackett Group	USA	2013	WTC	23	C			✓
Patria Investimentos	Brasil	2020	ZA	22	C	✓		
Knight Therapeutics	Canada	2016	WTC	22	C	✓	✓	
GIS International	Belgium	2012	WTC	22	TP		✓	
Ripio	Argentina	2019	WTC	20	C			✓
On Point Global	USA	2018	WTC	19	C			✓
Compass Group	USA	2010	WTC	18	TP		✓	
Julius Bär	Switzerland	1994	ZA	15	C		✓	

***FTEs: full time employees**

AP - [Aguada Park](#)

PDLC - [Parque de las Ciencias](#)

WTC - [World Trade Center](#)

ZA - [Zonamerica](#)

ZFC - [Zona Franca Colonia](#)

INCENTIVES

Global services Hub		Sustainable production Hub
Regional distribution	HQ – Trading - SSC - Financial IT – R&D – Datacenters	Agribusiness - Renewables – Manufacturing
FREE PORTS & AIRPORTS LAW 0% CIT and Customs duties	SOFTWARE LAW CIT 0%	TEMPORARY ADMISSION VAT & Customs duties exempt EXPORT REFUND 3 - 6% of FOB value
	TRADING RESOLUTION 59 CIT 0,75%	
INVESTMENT PROMOTION LAW - SCIENTIFIC & INDUSTRIAL PARKS LAW CIT exemption up to 100% of investment		
FREE TRADE ZONES LAW 0% CIT and Customs duties · Special tax and pension regime for expats		

1. Investment Promotion Law

This regime enables the investor to pay less corporate income and wealth tax (between 20% and 100% of the amount invested). That is to say, for all investment projects under this regime and promoted by the Executive Branch, it is possible to compute as part of the tax payment (IRAE - Corporate Income Tax) between 20% and 100% of the invested amount, depending on the type of project and the score obtained relying on different indicators.

2. Free Trade Zone 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 Zones can provide services to other countries and, in some cases, to Uruguay.

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 in their country of origin.
- 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 is 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 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 disposals of goods in transit or kept within 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.

3. Software Industry Incentives

Decree No 150/2007, Section 163 bis.

Tax exemptions for software exports and related services:

IT Companies may exempt a percentage of Corporate Income Tax (IRAE). The decree distinguishes products from 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, high-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.

4. Shared Service Centers (Decree 361/017)

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

- They have created 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 inclusive. At least 75% of the jobs must be held by Uruguayan citizens (provisional reductions may be authorized).

- The company implements a Training Plan for Uruguayan employees of an outlay of at least UI (in Indexed Units) 10,000.000 (approximately U\$S 1,300,000) during the aggregate of the first three years.
- The company carries 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.

5. Trading Activities

Regarding trading activities, there is a special tax platform allowing companies to conduct international trading operations outside Uruguay which is the purchase and sale of both, merchandise and services abroad, without any physical transit of goods or services through the country (Resolution No. 51/1997)

Uruguayan companies which conduct such international trading benefit from the option of assessing corporate income tax (IRAE) at a reduced tax base of 3% of the balance between the acquisition price minus the sale price. This reduced taxable base is subject to IRAE at the rate of 25%, which makes an effective tax rate of 0.75% over the above balance.

This preferential tax scheme is optional and only companies organized under Uruguayan law may benefit from it.

6. Regulations applicable to youth employment

Law No. 19.973 lists a series of instruments aimed at promoting the hiring of young people between 15 and 29 years old.

In this sense, there are incentives for public and private hiring companies through subsidies, free labor intermediation service and advertising (labeling and brand diffusion).

Hiring under this Law may not exceed 20% of the company's permanent personnel. Companies employing less than 10 workers may hire a maximum of two people.

Incentives included in this regulatory framework:⁹

- **First Job Experience:** it allows the hiring of young people between 15 and 24 years of age without formal work experience for a term of more than 90 calendar days. The hiring term will be a minimum of 6 months and a maximum of 12 months. The subsidy to be granted will be equivalent to \$6,000 per month (USD 136) for each young person hired on a full-time

⁹ Exchange rate to 12/1/21 is \$44 Uruguayan pesos, 1 dollar is equivalent to \$44 Uruguayan pesos

basis. If a young woman between 15 and 24 years of age is hired, the subsidy will be \$ 7,500 per month (USD 170) for fulltime hires. In all cases, if the workday is not full-time, the subsidy will be prorated according to the hours worked, with the minimum number of hours to be hired being 20 per week. The contribution will be granted for a maximum period of 12 months and will be subject to job retention.

- **Protected Youth Employment:** it involves the hiring of young people up to 29 years of age, unemployed and from households with income below the poverty line set by the National Institute of Statistics (INE). The term foreseen for these hires cannot be less than 6 months or more than 1 year. A partial subsidy will be granted on the young person's salary, of up to 80% of the monthly salary and taxed by special social security contributions. The subsidy is capped at 80% of the amount corresponding to two national minimum wages.
- **Internship for Graduates:** aimed at hiring young graduates without previous experience related to their professional training. The maximum hiring period is 12 months. The young person must have graduated from public or private technical, commercial, agricultural or service education centers. Companies hiring young people in this modality will be granted a 15% subsidy on the worker's monthly remunerations which are taxable for special social security contributions. The subsidy is capped at 15% calculated based on 2 minimum wages.
- **Training internships in companies:** aimed at young people who are currently studying. The internships may be paid or unpaid and must be related to the field in which the person receives training. Companies that hire young people in this modality will be granted a subsidy of up to 50% of the worker's salary. The subsidy cap will be calculated based on 75% of the minimum salary of the category applicable to the worker, according to the provisions for the corresponding group of activity.
- **Subsidies for unemployed young people:** In this hiring modality, the Ministry of Labor and Social Security (MTSS) will grant a temporary subsidy to companies that hire as new workers young people between 15 and 29 years of age who are unemployed continuously for more than 12 months, or discontinuously for more than 15 months in the 24 months prior to hiring. The contracted time must be at least 20 hours per week. The subsidy will be granted for 12 months. The subsidies will be paid in the form of credit to be used towards current obligations with the Social Security Authority (BPS).

7. Temporary Employment Subsidy

In order to stimulate employment among people that have not had any previous work experience, private-sector companies or institutions may apply to the Temporary Employment Subsidy through Vía Trabajo website.

It is important to consider that the maximum hiring cap corresponds to 20% of the company's permanent staff. Those firms with less than 10 employees may hire a maximum of 2 people.

Subsidies are as follow:

- 25% of the employee's monthly salary when hiring workers between 15-44 years old.
- 40% of the employee's monthly salary when hiring workers at the age of 45 or older.

The abovementioned subsidies only apply to new hirings with a maximum salary of 2.5 NMW (National Minimum Wage). Moreover, the subsidy may not exceed 25% of 1.5 NMW. It shall be granted for a maximum period of 18 months. For further details please click here: viatrabajo.mtss.gub.uy/u

(*) National Minimum Wage: \$17.930 uruguayan pesos as of January 1st, 2021.

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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