INVESTOR'S GUIDE

PROMOTIONAL SCHEMES FOR INVESTMENT

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Uruguay

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Prepared by Uruguay XXI, with the support of PWC.
Diego Tognazzolo
María Noel Vidal
Lucía Yordi

Contact details:
diego.tognazzolo@pwc.com
maria.noel.vidal@pwc.com

For further information visit:
https://www.uruguayxxi.gub.uy/es/directorio-servicio

CONTENT

I. INTRODUCTION

Uruguay continues to be positioned as a reliable and attractive destination for foreign investors.

Individuals and corporations can set up companies in Uruguay without having to comply with prior requirements or obtain special permits from the State, nor is it required to have a local counterpart. The foreign exchange market is free, with total freedom to buy and sell foreign currency.

In Uruguay there is no discrimination in the treatment of domestic and foreign capital, and investment promotion incentives are available to both. There are also no limits to the allocation of foreign capital in companies. The financial market is totally free; no prior authorization is required for the inflow or outflow of foreign currency. There are no restrictions on the entry or exit of capital, transfer of profits, dividends, interest, etc., the rules against money laundering and financing of terrorism notwithstanding.

The tax system is one throughout the Uruguayan territory and it is based on the source principle, so as a rule foreign-sourced income and assets located abroad are not taxed. In spite of that, for activities starting January 1, 2023 onwards, this is conditioned for Corporate Income Tax taxpayers that are part of an international group, who must prove that they have proper economic substance in Uruguay, in order for certain income from assets or rights economically used abroad to continue to be considered as foreign source.

Additionally, the 2025–2029 National Budget Law[1] introduced relevant adjustments to certain promotional regimes, as well as new rules for interaction with international tax standards, which are reflected in this document.Uruguay has several incentives and benefit schemes for investors, which can be adjusted to different types of activities; be it industrial, commercial or service activities intended to be performed in the country. The main incentive schemes available include those established by the Investment Law, free-trade zones, the free port and airport regime, industrial parks, and temporary admission. This document is a summary of the main benefits offered by the country, both for domestic and foreign investors, since there is no distinction between the two from the point of view of taxation or with respect to qualifying for the benefit schemes.

The next chapters describe the tax benefits created by the Investment Promotion Law and its complementary rules and regulations. This law includes: general benefits for all investments that comply with the conditions established therein; benefits specific to certain types of activities, including: external financial intermediation, construction, forestry, graphic industry, maritime or air navigation, software, vehicles or auto parts, biofuels, communication industry and housing, among others; and benefits that may be requested for specific investment projects.

The remaining chapters describe the treatment of Holding companies, the operation of industrial parks, free-trade zones, free ports and airports in Uruguay and the benefits that the relevant regulations offer, both for potential users and potential operators. We have also included a description of the operation and benefits of public-private partnership agreements. This is a tool widely used by the Uruguay State in infrastructure matters.

Finally, the last chapter describes the different foreign trade-related schemes: tax refunds, temporary admission, export tax refunds, draw-back and customs warehousing.

1 Law 20,446

II. INVESTMENT PROMOTION LAW

Since 1998, the Investment Promotion and Protection Law No. 16,906[2] establishes the legal framework for the promotion and protection of investments made in the national territory by domestic and foreign investors. Since its enactment, different regulations have been issued in order to adapt to the current economic situation.

The law divides the tax incentives into those of a general nature and those of a specific nature regarding investments, incentives which are detailed as follows:

a. General investment incentives

The general incentives are regulated by Decree No. 59/998[3], as amended by Decrees No. 293/013 of September 11, 2013 and No. 386/007 of October 15, 2007, and Decree 11/020 of January 13, 2020.

Beneficiaries: Taxpayers of the Corporate Income Tax who carry out industrial (including manufacturing and extractive) or agricultural activities and of the Tax on the Sale of Agricultural Goods (IMEBA) who carry out agricultural activities aimed at obtaining primary vegetable or animal products.

The granted benefits will operate automatically for all beneficiaries.

Investments Included: The acquisition of the following property[4]:

a. Movable property intended to be part of the production cycle: industrial machinery and premises, agricultural machinery and utility vehicles (chassis for trucks, tow tractors, trailers, and skidders).

b. Equipment for electronic data processing and movable goods necessary for its operation. Software is excluded.

c. Fixed improvements used for industrial and agricultural and livestock activities.

d. Intangible assets: trademarks, patents, industrial models, privileges, copyrights, goodwill, trade names and concessions granted for exploration activities, crops and extraction or exploitation of natural resources.

e. Other goods, procedures, inventions or creations that incorporate technological innovation and involve technology transfer, at the discretion of the Executive.

f. Investments in pastures and other tools that promote biological activity in soils. The Executive Branch will establish the conditions that such investments must meet in order to be included under this item.

Benefits:

2 https://www.impo.com.uy/bases/leyes/16906-1998
3 https://www.impo.com.uy/bases/decretos/59-1998
4 Art. 7, Law 16,906, of January 7, 1998

- Wealth Tax (IP, for its acronym in Spanish) exemption for the assets referred to in items A) and B) above. These assets shall be considered taxable for the purpose of computing liabilities for tax calculation.
- Value Added Tax (VAT) and Excise Tax (IMESI, for its acronym in Spanish) exemptions to the import of the goods in items A) and B) above.
- VAT refund on the local acquisition of the goods in items A) and B) above.
- The Executive Branch is empowered (and is yet to do so) to grant the following tax benefits to the taxpayers making the investments:
- Wealth Tax exemption to assets in items C) to F), which will be considered as taxable assets for the purpose of computing liabilities for tax calculation.
- Accelerated depreciation regime for Corporate Income Tax and Wealth Tax exemption purposes for all items.

b. Specific Investment Incentives

Specific incentives are regulated by various Decrees and its modifications: No. 092/998, No. 455/007, No. 002/012, No. 143/018, No. 151/020, No. 268/020, No. 329/025, and No. 353/025.

The last regulatory Decree will be elaborated on because it is the one that applies to the projects currently being presented[5] (Decree 329/025). With respect to Decree 353/025, it applies to investments involving the construction of real estate of large economic scale, which will be further addressed in the corresponding chapter.

Beneficiaries: Corporate Income Tax taxpayers who have income taxed by such tax and cooperatives whose investment projects are declared promoted by the Executive Branch.

Autonomous entities and decentralized services of the industrial and commercial domains of the State will not be considered beneficiaries.

Investments Included: The acquisition of the following property intended to make up the fixed or intangible assets:

1. **Movable** tangible **property**, intended directly for the activity of the company, provided that it has an individual minimum value of UI 1.500 (one thousand five hundred Indexed Units[6]). Movable property intended for personal residences and non-utility vehicles are excluded, except for certain exceptions. A restrictive definition of non-utility vehicles is established, excluding, among others, passenger, recreational, or sport-use vehicles, with certain specific exceptions. However, the incorporation of electric vehicles is permitted under particular conditions for rental or tourism activities, provided they remain part of the fixed assets for a minimum period of four years

2. Construction of real estate or fixed improvements in self-owned properties (excluding those destined for the home) and fixed improvements in properties owned by third parties, provided that there is a contract with a minimum term of 3 years.

3. Investments in biological assets:

5 Decree 329/025: https://www.impo.com.uy/bases/decretos/329-2025
Decree No. 353/025: https://www.impo.com.uy/bases/decretos/353-2025

6 The value of the UI will be that of the last day of the month prior to the filing of the promotional declaration application (as of April 30, 2026 it is equivalent to US$240. UI=$U6.5231; Exchange Rate= $U40.253).

(iv) Seedlings and planting costs for perennial fruit trees and shrubs, including varietal replacement using certified buds in accordance with current criteria set by the Ministry of Livestock, Agriculture and Fisheries (MGAP, for its acronym in Spanish).

(v) Cattle and sheep breeding stock, embryos, and semen for genetic improvement participating in genetic evaluation programs.

4. Other intangible assets or biological assets as determined by COMAP.

Investments eligible for benefits under the promotional regime include those carried out as of the date the promotional declaration application is filed, and may be developed within a general period of up to five fiscal years. Likewise, the inclusion of investments made prior to that date is permitted, provided they correspond to the six months prior to the first day of the month in which the application is filed, are necessary for the execution of the project, and do not exceed 20% of the total eligible investment.

In the case of large-scale projects exceeding UI 180,000,000 (approx. USD 30,000,000), companies may request, at the time of filing, a duly justified extension of the execution period of up to a maximum of ten fiscal years. Additionally, for reasons of force majeure, companies may request an extension of up to two years to the approved schedule, provided the request is submitted before the schedule expires.

Investments that receive subsidies from public funds will be computed only for the non-subsidized part.

Benefits: Companies with promoted investment projects will have the following tax benefits:

1. Corporate Income Tax (CIT):

- Exemption of a percentage determined according to the score obtained in the indicator matrix, which shall not be less than 1 point.
- The exemption percentage granted, taking into account the application of the general indicator matrix, will be at least 30%, potentially reaching a 100% exemption of the amount actually invested, taking into account that in each fiscal year the lesser of the following amounts may be exempted: the exemption percentage granted, the amount actually invested, and 90% of the Corporate Income Tax payable (the effective minimum rate is 2.5%).
- The maximum term for applying the exemption is 10 years. It is calculated from the first fiscal year in which taxable income is obtained, provided that no more than 4 fiscal years have elapsed since the promotional declaration; in that case, the maximum term will be increased by 4 years and will be calculated from the fiscal year in which the declaration was issued.
- Users of industrial parks and scientific-technological parks, if they develop certain activities established in the COMAP operating criteria, will obtain, depending on the type of user, an increase of 15% or 5% on the CIT benefit and on the term to use the exemption. Likewise, they will obtain a tax credit for the employer's pension contributions associated with the employment committed in the employment generation indicator and exclusively for the workers that work their full working day in the park.
- Companies categorized as micro or small companies[7] (maximum 19 employees and non-VAT annual sales of less than UI 10,000,000), which submit investment projects for a total of UI 3,500,000, will have an additional 15% CIT benefit and an additional fiscal year to the exemption term obtained. Likewise, 2 additional fiscal years will be added to the exemption period obtained for the use of said benefit.

7 In accordance with the provisions of Decree No. 504/007.

- Companies classified as medium-sized8, with up to 50 employees, will receive an additional 10% on the CIT benefit corresponding to them under application of the indicator matrix. Likewise, 1 additional fiscal year will be added to the exemption period obtained for the use of said benefit.
- Investment projects exceeding approximately USD 30 million (UI 180 million) may obtain an exemption of up to 100% of the eligible investment for CIT purposes. To make use of this benefit, the project must be filed with COMAP before December 31, 2027, and the investments must be executed before December 31, 2029.
- Investment projects exceeding approximately USD 50 million (UI 300 million) may obtain an exemption of up to 100% of the eligible investment for CIT purposes. To make use of this benefit, the project must be filed with COMAP before December 31, 2028, and the investments must be executed before December 31, 2031.

The exemption period may be suspended for up to two fiscal years, consecutive or not.

2. Wealth Tax

Exemption on the personal property of the eligible investment, provided that it does not enjoy exemption for other benefits:

Personal property: Throughout the fiscal useful life.

Real estate: 8 years if located in Montevideo and 10 years if located in the rest of the country.

3. Import Duties and Taxes

Total exemption of import taxes and duties (including VAT) for personal property included in fixed assets and materials for civil works, provided that they are not exempted by other benefits and that they are declared non-competitive with the national industry by the National Directorate of Industries of the Ministry of Industry, Energy and Mining.

4. VAT

VAT refund for the purchase of personal property for the investment project, and materials and services for civil works.

Procedure for obtaining benefits: Companies planning to make investments and obtain the exemptions established in the regulations must submit certain documentation9, set by COMAP, in order to apply for the benefits established in the decree.

COMAP has 90 business days from the date the submitted information is validated, which may be extended, to request additional information.

If COMAP has not issued a decision within the aforementioned term, it shall be understood that the project has been recommended to the Executive Branch. Likewise, if additional information has been requested and it is not received within the established term, the project will be considered abandoned.

8 In accordance with the provisions of Decree No. 504/007.

9 For more information, visit the following link:
https://www.gub.uy/ministerio-economia-finanzas/politicas-y-gestion/decreto-329025
https://www.gub.uy/ministerio-economia-finanzas/politicas-y-gestion/regimen-decreto-329025

When the Executive Branch receives the project recommendation from COMAP, it will approve it if there are no observations, issuing a Resolution where the declaration of promoted project will be established, including the project's specific information with the applicable exemptions.

Once the investment project has been submitted (even without the resolution in place), the beneficiary companies must submit annually, within 4 months of the closing of each fiscal year, follow-up information on the project's compliance, which include the following: Tax Affidavit and Accounting Statements with the corresponding reports, Affidavit, provided by COMAP and containing information on the execution of the investment, tax benefits used and compliance with committed indicators.

Extensions. During the investment schedule, companies with a promotional declaration may submit up to **3 extension** requests. Investments that may be considered for extensions are those executed as of the date the extension request is filed and those carried out within the 6 (six) months prior to the first day of the month in which said extension request is filed.

Indicator Matrix: At the time of submitting the investment project, companies must commit to the fulfillment of certain indicators: Employment Generation; Decentralization; Increase in Exports; Environmental Sustainability; Technological upgrading; Research, Development and Innovation; and Strategic Indicators.

a. General Matrix

- Each investment project will be assigned an overall score based on the weighted sum of the scores obtained for each indicator. The minimum score is 1 point and the maximum is 10 points.
- In order to access the regime, companies must achieve a minimum of 1 point among any of the indicators mentioned above. Obtaining 1 point on the matrix guarantees a 30% CIT exemption and a 4-year term for its use.

The following is the general indicator matrix with the weightings:

Objective	Puntaje	Weighting
Employment Generation	0 to 10	0.4
Increase in Exports		0.15
Decentralization		0.1
Environmental Sustaina-bility		0.2
R+D		0.2
Strategic indicator		0.25
TOTAL		**1.3**

A tolerance margin of 10% (ten percent) will be permitted with respect to achieving the score on the indicator matrix. This margin will apply to the total score on the indicator matrix upon completion of the indicator compliance schedule.

III. AUTOMATIC INVESTMENT PROMOTION SCHEME

In addition to the Investment Promotion and Protection Law, there are automatic exemptions for investments, established in the 2023 Consolidated Text, Title No. 4 and Regulatory Decree No. 150/007.

Beneficiaries: Corporate Income Tax taxpayers whose income in the fiscal year immediately prior to that in which the investment is made does not exceed UI 10,000,000.

Investments Included: Acquisition in the exercise of:

- Machinery and premises for industrial, commercial and service activities (excluding financial activities and the leasing of real estate).
- Agricultural machinery.
- Fixed improvements in the agricultural sector.
- Utility vehicles.
- Movable goods destined to equipping and re-equipping hotels, motels and inns.
- Capital goods destined for entertainment, recreation, information, and transportation to provide better service to tourists.
- Equipment necessary for electronic data processing and communications.
- Machinery, premises and equipment for innovation and productive specialization of the goods included in the previous items.
- Phosphate fertilizers intended for the installation and fertilization of permanent pastures.
- Construction and expansion of hotels, motels and inns.
- Construction or enlargement of buildings intended for industrial or agricultural activities.

Benefits:

- **Taxpayers whose income does not exceed UI 10,000,000**: CIT exemption of up to 40% of the investment made in the year for the investments of items 1) to 9) mentioned above and up to 20% for the investments of items 10) and 11) above.
- The income exempted shall not exceed 40% of the net income for the year after deducting the exemptions by other provisions.
- **Taxpayers whose income does not exceed UI 5,000,000**: CIT exemption of up to 60% of the investment made in the year for the investments of items 1) to 9) above and up to 30% for the investments of items 10) to 11) above.
- The income exempted shall not exceed 60% of the net income for the year after deducting the exemptions by other provisions.

The income exempted cannot be distributed, and a reserve called "Investment Exemption Reserve" must be created for the sole purpose of capitalization.

IV. SECTOR-SPECIFIC SCHEMES

The Investment Promotion and Protection Law establishes that the promotional declaration may apply to a specific sectoral activity. In this regard, there are Regulatory Decrees for several sectors that have been promoted, and are described in details in this chapter.

Companies are required to file with the COMAP certain documentation in order to access the tax benefits. Except for sectors that must start the process at a different office, for instance, projects in the hydrocarbons and agricultural machinery sectors, which must start the process at the offices of the National Directorate of Industries of the Ministry of Industry, Energy and Mining; and those in the energy sector, which must start the process at the offices of the National Directorate of Energy of said Ministry.

The documents to be submitted vary depending on the sector and usually include an affidavit with a description of the activity to be developed and supporting documents proving that the company presenting the project is up to date with its obligations.

On the other hand, there are other tax benefits granted to different activity sectors, not covered by the Investment Promotion and Protection Law, so they will not have to start the process at the COMAP. These sectors are: biotechnology, forestry, scientific and technological innovation, external financial intermediation, graphic industry, software, vehicles or auto parts, biofuels, communication industry, housing.

a. Biofuels

Companies producing biodiesel and fuel alcohol that have been authorized by the Ministry of Industry, Energy and Mining may be exempted from Wealth Tax on fixed assets —except land— directly affected to the production of fuel alcohol and biodiesel, as well as CIT exemption for 100% of the income generated exclusively in the production of fuel alcohol and biodiesel for a period of 10 years.

On the other hand, a new law is in force —although pending regulation by the Executive Branch— which broadens the activities to be covered by the aforementioned exemption, including the production, domestic marketing and export of renewable liquid fuels with domestic or imported raw materials for fuel alcohol and biodiesel products, all renewable liquid fuels obtained either from raw materials of agricultural origin or from the processing of industrial, agro-industrial or solid urban waste.

Regulations: Law No. 17,567, Law No. 18,195, Decree No. 523/008, art. 316 Law No. 19,924.

b. Biotechnology

Research and development activities in the areas of biotechnology and bioinformatics are exempt from CIT, provided that the following requirements are met:

(i) The assets resulting from research and development activities in these areas are covered by the regulations for the protection and registration of intellectual property.

(ii) The services are performed at least partially in the country.

If the service is provided partially in the country, the exemption shall be determined by the application of a quotient based on the direct expenses and costs incurred in the country

or abroad for the provision of these services. The numerator will consider the direct expenses and costs incurred by the developer and the services with non-related parties (residents or non-residents), or with resident related parties increased by 30%; while the denominator will consider the total direct expenses and costs to develop each asset and the expenses and costs for the concession of use or acquisition of intellectual property rights as well as the services contracted with non-resident related parties.

Income from activities carried out in the national territory shall be fully exempted.

For such purposes, it will be considered that the taxpayer carries out its activities in the national territory when the amount of the direct expenses and costs incurred in the country for the provision of such services exceeds 50% of the amount of total direct expenses and costs incurred in the fiscal year for the provision of such services and that human resources are employed on a full-time basis, according to the services rendered (adequately qualified and remunerated).

On the other hand, Decree No. 011/013 declares the promotion of the generation of biotechnological products, services and processes with application in strategic productive sectors, giving priority to the agricultural, environmental, energy, human and animal health sectors.

The Executive Branch, in consultation with the Biotechnology Sectorial Council, will review this prioritization every two years and may include new biotechnological development sectors to be promoted.

For granting the benefits, the decree establishes that one of the following alternatives shall be met as a requirement: the implementation of a program for the development of suppliers of biotechnological products and services; that the company should be a micro, small or medium-sized company producing biotechnological services and/or products; or that it should be a new company that is going to produce biotechnological products and/or services.

Notwithstanding the foregoing, Law 20,44610 (National Budget Law) grants the Executive Branch authority to establish a simplified regime and to exempt from duties and taxes the importation of inputs, machinery, and equipment intended for the testing or development process associated with the transformation of scientific knowledge into products intended to improve human, animal, or environmental health, within the limits and under the conditions established by regulation. Individuals or legal entities availing themselves of these benefits must be part of a Science- and Technology-Based Micro, Small, or Medium-Sized Enterprise and must have the endorsement of the National Research and Innovation Agency (ANII) The National Customs Directorate will implement a simplified customs clearance procedure for import operations referred to in this article, pursuant to Article 68 of Law No. 19,276 of September 19, 2014 (Customs Code). The Executive Branch will regulate this provision within sixty days following its enactment, determining the limits, terms, and conditions under which this article will apply.

Regulation: Title 4 of 2023 Consolidated Text, Decree No. 150/007, Decree No. 011/013.

10 Article 211

c. Call Centers

The activity developed by call centers was promoted under Law No. 16,906.

Call centers are considered to be services performed by tele-operators that receive or make telephone calls and receive or send messages via the Internet or any other type of channel, with the support of a software that allows for the monitoring of telecommunications for a specific purpose. Advice and consultancy activities are not included (except when the activities result from queries made by users abroad and the response is of a general nature, pre-established by the software).

The activities that simultaneously comply with the following conditions will be covered by the promoted declaration: 1) they generate at least 100 positions of direct qualified work, and 2) the services are fully used abroad by non-resident individuals. The service will be considered "fully used abroad" when it is exclusively related to activities developed, property located or rights economically used outside the country.

Income originated from such activities is CIT exempt for a period of 10 fiscal years as of the year in which the promotional declaration is applied for (including that year). Said exemption shall apply as follows:

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

Regulations: Decree No. 207/008, Decree No. 379/011.

d. Shared Services Center

In December 2017, the Uruguayan government approved Decree No. 361/017 (amending Decree No. 251/014), which aligned Uruguay's shared services schemes with OECD international standards.

Decree No. 251/014 defines a Shared Services Center as an entity belonging to a multinational group, whose exclusive activity is the effective provision of any of the following services to its related parties, residing or located in at least twelve countries: consulting; data processing; management or administration; logistics and storage; financial administration; and research and development operations support.

Pursuant to Section 2 of Decree No. 251/014, Shared Services Centers will have access to a series of **tax benefits**:

- CIT exemption for five fiscal years to 90% of the income generated by the Shared Services Center (SSC) activities. To access this benefit, at least 150 new positions of direct qualified work must be created, with Uruguayans holding 75% of such jobs. The company must also implement a training plan with a minimum expenditure of UI 10.000.000 (approximately USD 1.600.000).
- The exemption referred to in the preceding paragraph will be for ten fiscal years when the following conditions are met: (i) At least 300 new skilled jobs must be created directly, with Uruguayans holding 75% of such positions, by the end of the first five fiscal years, provided they are maintained until the end of the exemption period. The company must also implement a training plan with a minimum expenditure of UI 20.000.000 (approximately USD 3.200.000), during the course of the first six fiscal years.
- CIT exemption for five fiscal years to 70% of the income from SSC activities. To access this benefit, companies must create at least 100 positions of direct qualified work and

the expenditure in human capital training must exceed UI 5.000.000 (approximately USD 800.000).

- Wealth Tax (IP) exemption to the assets affected in SSC activities, from the year in which the request is made until the end of the CIT exemption period. Said assets will be considered taxed for the purposes of calculating the liabilities for the liquidation of the Wealth Tax (effective exoneration).

In order to promote global service rendering activities in the interior of the country, Decree No. 281/019 of September 23, 2019 grants the following tax benefits:

- CIT exemption: to the income originated in the promoted activities, provided that the result of the following quotient of each fiscal year exceeds 60% of the following:

remuneration for personal services under an employment contract / remuneration for personal services under an employment contract and outside of it.

In such case, the exemption shall amount to 90% of the referred income for the following terms: I) 5 years when at least 15 new positions of direct qualified work are created at the end of the first two fiscal years; II) 8 years when at least 30 new positions of direct qualified work are created at the end of the first 3 fiscal years; and III) 10 years when at least 60 new positions of direct qualified work are created at the end of the first 4 fiscal years.

- Wealth Tax exemption (100%) applicable to the assets involved in the promoted activities, as of the fiscal year in which the application is filed to be included in the promoted scheme and until the end of the exemption period provided for the CIT.

Service exporting companies can access the above-mentioned benefits if:

- They carry out their activities outside an 80 km radius from the center of Montevideo.
- They generate at least 15 new positions of direct qualified work that develop the activity under employment contracts and in the established place referred to above; at least 50% of these jobs correspond to Uruguayan personnel (provisional reductions may be authorized).
- They provide the above-mentioned services to at least 5 entities.

Regulations: Decree No. 251/014, Decree No. 361/017, Decree No. 281/019.

e. Constructions: Projects of Large Economic Dimension

The construction activity for the sale or lease of real estate for office or residential use, as well as private initiative urbanizations corresponding to projects of large economic dimension, is declared as promoted by the Investment Promotion Law.

Definition of Large Economic Dimension:

Projects of large economic scale are considered to be constructions with a value in civil works and movable property allocated to common-use areas of UI 60,000,000 (approx. USD 10,000,000) or more. Notwithstanding the foregoing, until December 31, 2027, the filing of projects with a value of UI 30,000,000 (approx. USD 5,000,000) or more will be permitted.

Investments Included:

- New constructions: Up to 60 months from the date on which the Departmental Government grants the construction permit.
- Companies may request an extension of the investment schedule for duly justified reasons, provided the request is submitted before the expiration of the original investment schedule approved in the Resolution or of any extensions subsequently granted.

It will be a necessary condition for promotion that projects have been filed prior to January 1, 2031.

Tax Benefits:

1. Corporate Income Tax (CIT):

CIT exemption will depend on the amount of the promoted eligible investment:

Promoted eligible investment in UI [11]	Exemption percentage
30,000,000 to 40,000,000 (approximately USD 4,861,575 - 6,482,100)	5%
40,000,001 to 60,000,000 (approximately USD 6,482,100– 9,723,151)	10%
60,000,001 to 90,000,000 (USD 9,723,151– 14,584,726)	15%
90,000,001 to 205,000,000 (approximately USD 14,584,726– 33,220,766)	20%
205,000,001 to 287,000,000 (approximately USD 33,220,766– 46,509,072)	25%
287,000,001 to 430,000,000 (approximately USD 46,509,072– 69,682,583)	30%
40,000,001 to 574,000,000 (approximately USD 69,682,583– 93,018,145)	35%
More than 574,000,001 (approximately USD 93,018,145)	40%

The **5% and 10%** brackets will apply only to projects filed by **December 31, 2027**. Additionally, the decree provides for additional CIT benefits for projects incorporating **sustainable construction models** and enables additional benefits for projects that promote **demand for domestically produced goods**, under terms to be established by COMAP.

The maximum exemption period will be 10 years from the fiscal year in which taxable income is obtained and the amount to be exempted shall not exceed 90% of the tax payable.

11 An approximate equivalent in US dollars is provided for amounts expressed in Indexed Units, for ease of understanding, but the amounts must at all times correspond to the value of Indexed Units (UI) set forth in the regulations. As of April 30, 2026, it is equivalent to USD 240. UI=$U6.5231; Exchange Rate= $U40.253). The daily value of the UI can be consulted at https://www.ine.gub.uy/web/guest/valores-anteriores

2. Wealth Tax

Real estate is exempted for a term of 8 years if the project is located in Montevideo and 10 years if it is located in the rest of the country.

Likewise, movable property destined to the common use area is exempted for the term of its useful life.

The exempted property will be considered taxed for the purposes of calculating liabilities.

3. VAT

A VAT credit is granted for the acquisition of equipment, machinery, materials and services destined to civil works and movable property destined to common use areas.

Import Taxes

Exemption from all surcharges and taxes (including VAT) on the import of equipment, machinery and materials for civil works, and movable property for common use areas, provided that they have been declared non-competitive with the national industry.

Regulations: Decree No. 138/020, Decree No. 225/021, Decree No. 248/023, Decree 353/025[12].

f. Forestry

Natural and artificial forests existing or to be planted in the future in forestry priority areas declared as "protective" and forests declared as "yielding" in forestry priority areas will enjoy the following tax benefits, according to their category:

- **Commercial forest (BR, for its acronym in Spanish) - cellulose-:** Wealth Tax exemption only (projects presented before July 1, 2007 have CIT and real estate tax exemptions).
- **Commercial forest for quality timber (BRMC, for its acronym in Spanish)**: CIT, Wealth Tax, and real estate tax exemptions.
- **General Forest (BG, for its acronym in Spanish):** no exemptions.
- **Artificial Protective Forest (BPA, for its acronym in Spanish):** CIT, Wealth Tax, and real estate tax exemptions.
- **Native Forest (BN, for its acronym in Spanish):** CIT, Wealth Tax, real estate tax, and Social Security Administration Office exemptions.

In order to access the aforementioned tax benefits, the General Forestry Directorate of the Ministry of Livestock, Agriculture and Fisheries must approve the management plan for the exploitation and regeneration of the forests. Any modification to said management plan must be previously approved by the General Forestry Directorate. In regard to the forests included in the quality timber projects, it should be noted that short rotation plantations (less than fifteen years) with no pruning and thinning are not entitled to tax exemptions.

Likewise, Decree No. 329/025 considers the purchase of seedlings and the cost of planting multiannual fruit trees and shrubs as part of the investment in the promoted activities.

12 For projects filed as of January 1, 2026, Decree 353/025 applies, which reviews and updates the regime for projects of large economic scale.

Regulations: Law No. 15,939, Law No. 18,245, Title 4 of 2023 Consolidated Text, Decree No. 150/007.

Interaction with the Domestic Minimum Top-up Tax (IMCD)

The 2025–2029 National Budget Law introduced the IMCD, applicable to certain entities that are members of large-scale multinational groups. In this context, **Decree No. 325/025** regulated how this tax is to be reconciled with the fiscal stability **clauses provided under Forestry Law No. 15,939**.

Specifically, the decree provides that constituent entities of multinational groups subject to the IMCD that enjoy tax benefits under the Forestry Law—provided the **forests were planted prior to the IMCD's entry into force—may be wholly or partially exempted from paying the IMCD**, to the extent the tax is not effectively creditable abroad or exceeds the amount that would have been payable in other jurisdictions under the OECD's Pillar Two rules.

For these purposes, taxpayers must **initiate an administrative proceeding before the General Tax Directorate (DGI)**, demonstrating compliance with the requirements established for each fiscal year.

g. Energy Generation

- The following activities are declared promoted under the Investment Promotion and Protection Law:
- Electricity generation from non-traditional renewable sources.
- Electricity generation through co-generation.
- Energy resources production from renewable sources.
- Transformation of solar energy into thermal energy.
- Conversion of equipment and/or incorporation of processes intended for the efficient use of energy.
- Mineral prospecting and exploration in accordance with Law No. 15,242.
- Services provided by Energy Service Companies (ESCOs) registered with the National Directorate of Energy and qualified as category A.
- Domestic manufacturing of machinery and equipment intended for use in the aforementioned activities.

Under Decree No. 329/025, the investment promotion regime was updated, modifying the indicator matrix applicable to projects. Under this new framework, investments in renewable energy generation may **count favorably within the indicators related to sustainability and energy efficiency.**

Regulations: Decree No. 354/009, Decree No. 329/025.

h. Hydrocarbons

In accordance with the general tax regime, income obtained by contractor companies, owners of hydrocarbon exploration and exploitation projects, are exempt from all national or municipal taxes and duties created or to be created, except for CIT.

It should be noted that in the Uruguay Round II project, exploratory activities within the framework of the round were declared promoted as eligible investments for the tax benefits established in Decree No. 68/013. Additional benefits were also established, including VAT credit and exemption, exemption from Non-Resident Income Tax (IRNR, for its acronym in Spanish) and customs duties exemption on goods related to the development of the eligible activities. Subcontractors received benefits for the calculation of CIT, IRNR, VAT and Wealth Tax. That round is currently closed.

The "Uruguay Open Round" is currently open, from which direct tax benefits arise. Decree 261/024 establishes a promotional regime for offshore hydrocarbon exploration in Uruguay, granting contractors and subcontractors exemptions from CIT/IRNR, VAT, and Wealth Tax, as well as broad customs benefits for imports related to the activity.

Regulations: Chapter 8 of Title 3 of the 2023 Consolidated Text, Decree No. 354/009, Decree No. 68/013, Decree No. 261/024.

i. Research and Development (R&D)

Companies governed by private law that have expenditures in Research and Development activities may obtain a tax credit.

Beneficiaries: CIT or IMEBA taxpayers who carry out R&D activities with income taxed by said taxes.

The Autonomous Entities and Decentralized Services of the State's industrial and commercial domain, as well as state-owned companies governed by private law, are not eligible for this benefit.

Definition of Research: Original work undertaken to obtain new knowledge.

Definition of Development: Systematic work that uses knowledge obtained from research and/or experience to develop new products, production processes or to improve existing ones.

Tax Benefit: Tax credit of 35% of the eligible expenses, or 45% of the eligible expenses if the project is developed jointly with technology centers or universities, or 100% for expenses incurred in the hiring of master and PhD students and graduates, accredited by the National Agency for Research and Innovation (ANII).13

The tax credit will be granted through credit certificates issued by the Tax Authority (DGI) which shall not exceed UI 9,000,000 per year per company.

The eligible expenses to which the tax credit refers are as follows:

- Fees for training and qualification services for the company's personnel.
- Expenses associated with short courses abroad, for a maximum of 2 months (including airfare, lodging, tuition and other necessary expenses).
- Fees for technical personnel hired for the implementation of the project.
- Salaries of company personnel.
- Expenses for contracting consultancy services.
- Purchase of materials and supplies.
- Purchase of essential equipment.
- Expenditures for test equipment, tests and laboratories.
- Expenditures on installations and/or work and environmental protection measures.
- Purchase of bibliographic material.

13 https://www.anii.org.uy/apoyos/innovacion/253/credito-fiscal-a-empresas-para-actividades-de-id/

- Intellectual property protection expenses.
- License costs.
- Building adequacy with a maximum of 25% of the acknowledged amount.

Regulations: Law No. 19,739, Decree No. 407/019.

j. Communication Industry

Journalism, broadcasting and television, theater and film exhibition and distribution companies are exempted from taxes on imports, capital, sales, tickets, acts and business, excluding income tax in respect of said line of business.

Likewise, journalism and broadcasting companies will be exempted from all taxes, provided that their income for the fiscal year does not exceed UI 4,000,000. In the case that they exceed that value during the fiscal year, they shall pay the corresponding taxes starting on the month after the value was surpassed, up until the end of the fiscal year. The exemption will be available again for the following fiscal year.

Likewise, journalism companies will be exempted from social security contributions, regardless of the income level for the fiscal year.

Regulations: Chapter 16, Title 3 of 2023 Consolidated Text.

k. Graphic Industry

1. Printing studios, publishing houses and bookstores, as regards printing and sale of books, brochures and magazines of literary, scientific, artistic and teaching nature and educational material, are exempted from taxes levied on their capital, sales, tickets, acts, services and businesses, excluding income tax in connection to their line of business.

The exemption extends to contracts and other documents generated on the sale of books.

In addition, the following tax exemptions are established, aimed at benefiting book distribution:

- Payments related to copyright: exempt from all taxes.
- Export of books, brochures and magazines of literary, scientific, artistic and teaching nature, as well as educational material: exempt from proceeds, port charges and all duties.
- Import of works of literary, artistic, scientific and teaching nature, as well as educational material, and the catalogs for the dissemination or promotion of such goods: exempt from all national taxes, proceeds, port prices, and other customs duties and consular fees.
- Import of machinery, equipment, components, tools, accessories and spare parts for book manufacturing is exempt from any other tax applicable to said import, except for surcharges.

2. Logistical support services for film and television productions rendered to national or foreign companies involved in international co-productions in which Uruguay participates shall be considered exports of services for Value Added Tax (VAT) purposes (which implies a 0% rate for such tax). To such effect, the National Audiovisual Institute shall certify the aforementioned.

Likewise, the aforementioned services that involve foreign companies not operating in the country through a Permanent Office will also be considered as exports of services for VAT purposes, as long as the services are exclusively used abroad.

3. Temporary admission: Imported goods intended to promote artistic and cultural projects (including cinematographic, audiovisual, plastic arts exhibitions, literary or musical productions, and scientific projects) promoting innovation, science and technology, by individuals or legal entities with usual residence abroad, will be exempt from taxes and duties and it will not be necessary to provide a guarantee. For such purpose, the activity to be

developed must be declared of national interest by the Ministry of Education and Culture. The goods may remain for a maximum of 90 days.

4. Finally, the operation of a Free-Trade Zone in the department of Maldonado with specialized infrastructure for audiovisual industry production has been approved, which will imply for this industry the possibility of benefiting from tax exemptions.

Regulations: Chapter 13, Title 3 of 2023 Consolidated Text (Law No. 15,913), Decree No. 086/007.

l. Shipbuilding Industry

Activities derived from the construction, maintenance and repair of ships and water transportation vehicles, production of sets and subsets for ships and water transportation vehicles, are promoted under the Investment Promotion and Protection Law.

- An exemption from all taxes, including VAT, is established for the import of materials, raw materials, capital goods and, in general, all other items needed for:
- The construction, installation, expansion, operation and conservation of shipyards, dry docks and dams.
- The construction, repair, transformation or modification of ships, buoys, floating cranes, platforms, rafts, dredges, barges and any and all constructions of exclusive nautical use by ship shards, dry docks and dams registered and authorized by the National Naval Prefecture.
- The assembly of vessels of more than 6 meters in length whose national added value may not be less than 50% of the CIF value of their kits.

Regulations: Law 15,657.

m. Tourism Industry

1. For the purposes of granting tax benefits, tourism activities are classified into two groups, with different incentives that apply to each one of them:
2. Tourism Projects: Accommodation, cultural, business, sport conventions, recreational, leisure or health service activities that make up a complex unit designed to attract tourism demand, approved in accordance with Law No. 16,906 and Decree No. 175/003.

Hotels, Apart-hotels, Inns, Motels and Tourist Ranches built or to be built.

Exemption for Tourism Projects

1. **Civil works**

- VAT exemption on imports of goods for civil works.
- VAT credit balance on local purchases of goods and services for civil works.
- Computation as an exempt asset for Wealth Tax purposes at the end of the fiscal year in which the works were started and for the following 10 fiscal years.
- 50% tax exemption on imports of goods for civil works.
- For CIT purposes, the investment can be amortized over a 15-year period.

2. **Equipment**

- VAT exemption on imports of these goods.
- VAT credit balance on local purchases.
- Computation as an exempt asset for Wealth Tax purposes at the end of the fiscal year in which the works were started and for the following 4 fiscal years.
- 50% tax exemption on imports of goods for equipment.
- For CIT purposes, the investment can be amortized over a 5-year period.

Exemption for Hotels, Apart-hotels, Inns, Motels and Tourist Ranches built or to be built

1. **Equipment**

- VAT exemption on imports of goods for equipment.
- VAT credit balance on local purchases.
- Computation as an exempt asset for Wealth Tax purposes at the end of the fiscal year in which the works were started and for the following 4 fiscal years.
- 50% tax exemption on imports of these goods.

On the other hand, the activity developed by Condominium Hotels, destined to offer accommodation services for the purpose of attracting tourism demand, has been declared promoted.

The undertakings will be developed by a developer company, which will build and sell the condominium units. Once the purchasers receive the units, they will transfer the use and/or usufruct to the operator for a period of not less than 10 years, in order to develop the hotel activity.

The tax benefits are as follows:

2. **Developer company**

- VAT credit included in local purchases of goods and services for construction purposes.
- VAT exemption on imports of goods for construction purposes.
- Exemption on imports of materials and goods necessary for construction, having to choose between one of the following regimes: i) 100% of the taxes levied on the aforementioned goods declared non-competitive with national industry, having to pay the total taxes levied on goods competitive with the national industry; or ii) 50% of the taxes levied on all aforementioned goods.
- Computation as an exempt asset for Wealth Tax purposes of the goods incorporated to the civil works for a maximum term of 11 years as of their incorporation.

3. **Operating company**

- VAT credit included in local purchases of goods and services destined for equipping the tourism project.
- VAT exemption on imports of fixed assets destined for equipping the tourism project.
- Exemption on imports of fixed asset destined for equipment, having to choose between one of the following regimes: i) 100% of the taxes levied on the aforementioned goods declared non-competitive with the national industry, having to pay the total taxes levied on goods competitive with the national industry; or ii) 50% of the taxes levied on all aforementioned goods.
- Computation as an exempt asset for Wealth Tax purposes of the fixed assets used for equipment for the term of their useful life.
- CIT exemption generated by the promoted activity for an amount and term resulting from applying the indicator matrix of the general scheme.

Regulations: Decree No. 175/003, Decree No. 404/010, Decree No. 59/012.

n. External Financial Intermediation

Financial intermediation companies whose exclusive purpose is to carry out intermediation operations between supply and demand of securities, money or precious metals located abroad, will be exempted from any kind of tax obligation that falls on their activity, the operations in their line of business, their assets or their income.

The exemption does not include obligations for payments to social security bodies. Taxes levied on the incorporation and capital increases of such financial entities are considered included within the exemption of reference.

Regulations: Chapter 18, Title 3 of 2023 Consolidated Text.

o. Agricultural Machinery

Income originated in machinery and equipment manufacturing activities, as well as parts and accessories thereof, were declared promoted by the Investment Promotion and Protection Law.

CIT is exempted from 50% of the net taxable income originated in the promoted activity between the fiscal years beginning on January 1, 2018 and December 31, 2027. In every fiscal year between January 1, 2023 and December 31, 2027, the CIT exemption shall not exceed 90% of the total tax due.

On the other hand, the VAT Regulatory Decree No. 220/998 establishes that the manufacturers of these goods will be entitled to a credit for VAT included in the acquisition of goods and services related to the cost thereof.

The Executive is empowered to grant the import tax exemption to goods intended to make up the cost of agricultural machinery, accessories, raw materials, parts, pieces, spare parts and kits of such machinery provided that three requirements are met: 1) the machinery and accessories must have been declared non-competitive with the national industry; 2) the import must be carried out by those companies that develop activities included in the promotional declaration of manufacture of agricultural machinery and equipment; and 3) more than 60% of the annual invoicing is represented by the sale of the goods that made up said declaration. For this purpose, the goods to be imported must be those included in Annex I of Decree No. 124/019 or obtain the non-competitive declaration by resolution of the Ministry of Industry, Energy and Mining, as well as request their inclusion in the Register of National Companies Producing Agricultural Machinery and its Accessories.

Regulations: Decree No. 346/009, Decree No. 06/010, Decree No. 220/998, Decree No. 124/019, Decree No. 394/022.

p. Maritime or Air Navigation

Maritime or air navigation companies are exempt from CIT. For foreign companies, the exemption shall apply provided that in their countries of origin Uruguayan companies with the same purpose enjoy the same exemption.

Regulations: Title 4 of 2023 Consolidated Text.

q. Industrial Solid Waste

The treatment and final disposal of industrial solid waste was promoted under the Investment Promotion and Protection Law.

The tax benefits are as follows:

- Wealth Tax exemption for the real estate and personal property incorporated to develop the activity.

- CIT exemption for income derived from the aforementioned activity.
- VAT credit for the acquisition of goods and services destined to integrate investments in fixed assets.
- Exemption from all import surcharges (including Consular Fees and VAT) of the goods destined to integrate the cost of the investment in fixed assets, provided that they have been declared non-competitive with the national industry.

It should be noted that waste management is currently under study by the government, through a National Waste Management Plan, which aims to be a tool for planning waste transformation and achieving sustainable development. Therefore, it is to be expected that the above-mentioned exemption will be modified.

Regulations: Decree No. 411/011.

r. Software

Income derived from software production activities and related services are CIT exempt, provided the following requirements are met:

1. The assets resulting from research and development activities in these areas are covered by the regulations for the protection and registration of intellectual property.
2. The services are performed at least partially in the country.

If the service is rendered partially in the country, the exemption shall be determined by the application of a quotient based on the direct expenses and costs incurred in the country or abroad for the provision of these services. The numerator will consider the direct expenses and costs incurred by the developer and the services with non-related parties (residents or non-residents), or with resident related parties increased by 30%; while the denominator will consider the total direct expenses and costs to develop each asset and the expenses and costs for the concession of use or acquisition of intellectual property rights as well as the services contracted with non-resident related parties.

Income from activities carried out in the national territory shall be fully exempted.

For such purposes, it will be considered that the taxpayer carries out its activities in the national territory when the amount of the direct expenses and costs incurred in the country for the provision of such services exceeds 50% of the amount of total direct expenses and costs incurred in the fiscal year for the provision of such services and that human resources are employed on a full-time basis, according to the services rendered (adequately qualified and remunerated).

Regulation: Title 4 of 2023 Consolidated Text, Decree No. 150/007.

s. Vehicles or Auto parts

Companies that export finished or semi-finished vehicles, or auto parts of national origin are entitled to a 10% refund on the FOB value of exports through credit certificates. Such certificates may be used for paying other taxes or to import motor vehicles for the domestic market with a preferential Global Tariff Rate (GTR) of up to 13 points.

Exporting companies can assign their benefits to vehicle importing companies for the domestic market.

Companies that carry out direct exports of auto parts may combine the aforementioned benefit (10% of FOB value) with the refund provided for certain tariff classifications14 (Mercosur Nomenclature - NCM) at a rate of 3% or 6% of FOB value, as detailed in Annexes 1 and 2 of Decree 48/022.

On the other hand, the terminals (assembly companies) can import CKD15 kits for assembling vehicles intended for the domestic market, provided that they comply with a complete assembly process in the country; and SKD16 kits intended for production in the country of a new model, not previously manufactured, with a 0% tariff (extra and intra zone).

Regulations: Decree No. 316/992, Decree No. 340/996, Decree No. 126/012, Decree No. 251/019, Decree No. 255/019, Decree No. 302/025.

t. Vehicles and Cargo Transportation Equipment

The manufacturing activity intended for professional land transportation of cargo for third parties, trucks, truck tractors, semi-trailers, trailers, structures added to these goods destined to contain or load cargo with passive role and dump boxes is promoted under the Investment Promotion Law.

The benefit granted consists of VAT exemption for sales in the domestic market made by the manufacturers of motor transportation equipment, thus establishing a VAT refund system for purchases in the domestic market and imports of goods and services.

Regulations: Decree No. 210/010.

u. Social Housing

Improvements in the conditions of access to social housing are declared of national interest.

Those projects and activities aimed at the construction, refurbishment, remodeling or expansion of at least two houses per plot, which may be sold or rented, will have access to the following tax benefits:

Housing Intended for Sale

1. **Corporate Income Tax (CIT):**

Exemption on income from the first sale up to 9 fiscal years after the fiscal year in which the works are completed.

2. **Wealth Tax**

Exemption for construction works (land and improvements) from the time the application is filed until the works are completed.

Exemption for finished houses, from the fiscal year when the works are completed and for the following 3 fiscal years.

In both cases, the property will be considered a taxable asset for the purpose of computing liabilities for tax calculation.

14 Decree 558/94 and its updates.

15 CKD: Completely Knocked Down, a kit of entirely unassembled parts.

16 SKD: Semi-Completely Knocked Down, a kit of partially assembled parts.

3. **VAT**

Exemption on the first sale of the property.

VAT refund on local purchases of goods and services destined to make up the cost of the houses.

Exemption on the import of goods to be incorporated to the civil works.

4. **Property Transfer Tax (ITP)**

Exemption for the seller and purchaser on the first sale for a maximum of 9 fiscal years after the fiscal year in which the works are completed.

Housing Intended for Rental

1. **Corporate Income Tax (CIT):**

Exemption of 100% on the income generated by the leasing of units (located in the areas established by the Ministry of Housing, Land Management and Environment) or 60% on the income generated by the remaining leases, in the fiscal year when the works are completed and for the following 9 fiscal years.

2. **Wealth Tax**

Exemption in the fiscal year when the works are completed and for the following 9 fiscal years. Only applicable to leases intended for permanent housing, with contracts for a term greater than or equal to 6 months.

Regulations: Law No. 18,795, Decree No. 355/011, Decree No. 299/015, Decree No. 340/020, Decree No. 283/021, Decree No. 59/022.

V. HOLDING

Definition: Holding companies are those whose assets consist mainly of shares in other companies.

They are created for the purpose of investing in other companies and exercising control over them, since they generally own the majority of shares or equity interest.

They mainly carry out capital activities: granting loans, receiving payments for dividends, royalties, interest, among others.

Tax regime: Since Uruguay's regime is based on the source principle (Uruguayan sourced income and assets located in Uruguay are taxed), Uruguayan Holding companies investing in foreign companies will benefit from our tax system, not obtaining taxable income or owning taxable assets for this concept.

For activities starting January 1 2023 onwards, CIT contributors that are part of a multinational group must prove that they have proper economic substance in the country, in order for such income to continue to be considered as foreign source income and therefore not taxable under CIT.

For these purposes, the CIT taxpayer will be considered a qualified entity, that is to say, having proper substance in the country, if with respect to each asset generating the referred income, and during the whole fiscal year, it complies with the following conditions simultaneously:

a. it employs human resources in appropriate numbers, qualifications, and remuneration to manage the investment assets, and it has adequate installations for the development of this activity in Uruguayan territory;

b. it makes the necessary strategic decisions, and endures risks in Uruguayan territory; and

c. it incurs appropriate costs and expenses in connection to the acquisition, holding or disposal, as the case may be.

In the case of "holding" entities, meaning those whose assets associated with such activity represent at least 75% of the total assets of the entity —valued according to tax regulations— it will be sufficient to comply with condition (a). This condition will be satisfied, as far as human resources are concerned, when the majority of the human resources are residents in the national territory and are duly qualified for the tasks, or there is at least one director resident in the national territory with the appropriate qualifications to perform the position.

1. **Corporate Income Tax (CIT):**

- Shares in Uruguayan companies: Income derived from the holding and distribution of dividends is not taxed by CIT.
- Shares in foreign companies: Income derived from the holding and distribution of dividends is not taxed by CIT. In the case of a CIT taxpayer that is part of a multinational group, this will be conditional to the verification of the aforementioned substance requirements.
- Transfer of shares/equity interest: The treatment for CIT purposes will depend on the place of incorporation of the company issuing the equity securities:

- Uruguayan company: income derived from the sale taxed by CIT at a rate of 25%, except for shares listed on a stock exchange, which shall be CIT exempt.

- Foreign company located in a country that is not considered a Low-Tax or No-Tax (BONT[17]) country: income derived from the sale not taxed by CIT. In the case of a CIT taxpayer that is part of a multinational group, this will be conditional to the verification of the aforementioned substance requirements.

- Under the 2025–2029 National Budget Law, the scope of indirect taxation on foreign shareholdings was expanded, such that income derived from the sale of interests in nonresident entities is now considered Uruguayan-source income—and therefore taxable—when:
  - more than 50% of the value of the entity's assets consists, directly or indirectly, of property located in Uruguay, **or**
  - the value of assets located in Uruguay exceeds approximately **USD 5 million**, provided the transaction involves the direct or indirect transfer of control over such assets.
  - Taxable income is determined by applying the proportion that assets located in

17 According to DGI Resolution No. 2,440/020 in force as of January 1, 2023, the following are the BONT entities: Angola, Ascension, Guam, Guyana, Honduras, Cocos Island, Christmas Island, Saint Helena Island, Norfolk Island, Pitcairn Islands, Pacific Islands, Fiji Islands, Falkland Islands, Palau Islands, Solomon Islands, United States Virgin Islands, Jordan, Kiribati, Labuan, Liberia, Niue, French Polynesia, Puerto Rico, Kingdom of Tonga, Republic of Yemen, St. Martin, St. Pierre and Miquelon, Svalbard, Eswatini, Tokelau, Tristan da Cunha, Tuvalu, Djibouti.

Uruguay represent relative to the nonresident entity's total assets.

2. **Wealth Tax**

Holdings of interests in CIT-taxpaying companies are exempt from Wealth Tax. Likewise, interests in nonresident entities are not included in the tax base for this tax, under the territoriality principle.

3. **VAT**

Holding company activity is not subject to VAT. As a result, VAT included in purchases of goods and services related to management of the holding company (professional services, administrative services, etc.) constitutes a cost for the entity.

4. **IRPF/IRNR on the distribution of dividends**

Dividends distributed by the Holding Company derived from income taxed by CIT to resident or non-resident individuals: The Holding Company must withhold the Personal Income Tax (IRPF, for its acronym in Spanish) or IRNR at a rate of 7%, taking into account the lower amount resulting from comparing the tax net income taxed by CIT and the accounting result to be distributed.

Under the National Budget Law 2025-2029, dividends derived from income not subject to CIT will also be taxed at 7%, provided that such dividends are taxed in the beneficiary's country of residence and that said country grants a tax credit for the tax paid in Uruguay.

These withholdings may be lower if there is an applicable Double Taxation Avoidance Agreement.

Dividends distributed by the Holding Company derived from income taxed by CIT to another CIT taxpayer company: No withholding is applicable.

Additionally, the deemed dividend regime remains in effect, under which taxable retained income subject to CIT for a minimum of four fiscal years are considered distributed, even if they have not actually been distributed.

Regulations: Title 4 of 2023 Consolidated Text, Title 7 of 2023 Consolidated Text, Title 8 of 2023 Consolidated Text, Title 14 of 2023 Consolidated Text.

VI. TRADING

Definition: It refers to intermediation activities carried out in the national territory corresponding to: 1) the purchase and sale of goods located abroad that have neither origin nor destination in the national territory; and 2) intermediation in the rendering of services, provided that such services are rendered and used economically abroad.

Tax regime:

A specific optional regime is established for the purposes of calculating the net taxable income for **CIT**.

To the difference between the sale price of the goods (or services) and the purchase price of the same, 3% will be applied in order to determine the fictitious income on which the tax rate of 25% will be applied, which implies an effective rate of 0.75%.

In the event that the company carries out another activity independent from trading, the general scheme will be applied for such income and associated expenses; therefore, at the time of CIT liquidation, the activities must be separated in order to apply the 3% fictitious rate to the trading operation.

Regulation: Resolution No. 51/997.

VII. INDUSTRIAL PARKS AND SCIENTIFIC-TECHNOLOGICAL PARKS

Definitions

Law No. 19,784 declares Industrial Parks (IPs) and Scientific-Technological Parks (PCTs, for its acronym in Spanish) to be of national interest. They are defined as public or private areas authorized by the Executive, equipped with the infrastructure to carry out industrial, services and training, and research and innovation activities.

IPs are intended for the installation and operation of manufacturing and service industries, while PCTs are intended for the installation of knowledge and innovation centers, as well as innovative companies.

Developers

The developer is the legal entity, public or private, that is duly authorized by the Executive to be in charge of providing the necessary infrastructure to develop the activities in the IP or PCT.

It shall especially encourage the setting up of micro-, small- and medium-sized enterprises, cooperatives and self-managed enterprises in such premises.

Users

Users shall be those subjects that have been duly authorized by the Ministry of Industry, Energy and Mining, and that belong to one of the following categories:

- Companies engaged in industrial activities, including information and communication technology services; biotechnology and nanotechnology products and services; creative industries products and services; industrial waste recovery and by-product utilization activities.
- Companies that provide services, including logistics services.
- Companies that provide services in activities that the Executive determines that contribute to the objectives of Law No. 19,784 due to their potential.
- Entrepreneurs and business incubators.
- Education and training institutions.
- Research or innovation institutions.
- Other institutions linked to the generation of applied knowledge.

Tax benefits

1. **For developers**

- Developers may also be eligible for benefits under the Investment Promotion Law, and said benefits may include the following:
- CIT exemption: For IPs and PCTs developers, the exemption will amount to 75% of the promoted investment, with a period of 10 years for its use.

In the case of the parks located in the northern zone, there is an additional exemption of 15% of the promoted investment, and an extension of the period of use of the benefit for an additional 4 years.

Additionally, there is also the possibility of an additional increase of 10% of the promoted investment for specialized parks established by the Executive Branch, and two additional years for using the benefit.

In any case, the total CIT exemption shall not exceed 100% of the computable investment, and the exemption per fiscal year will be limited to 90% of the CIT payable.

- Wealth Tax exemption on fixed improvements, intangible goods and other goods, procedures or creations that incorporate technological innovation and involve technology transfer, at the discretion of the Executive Branch.
- Exemption from taxes and duties on the import of fixed assets destined to the developer's operations, as well as goods and materials destined to civil works.
- Credit for VAT included in acquisitions for civil works.

In addition to these benefits, it is contemplated that public entities may establish tariffs or promotional prices for the services they provide to IPs and PCTs.

2. **For users**

Users will enjoy additional benefits under an investment project according to Law No. 16,906, compared to those that would be available to an identical project set up outside a park.

With respect to CIT, the exempted tax and the period to use the benefit will be increased by 15% compared to what would be applicable for the project via COMAP for those who carry out any of the following activities: (a) industrial activities; (b) rendering of services related to the activities developed in the park (storage, classification, fractioning, assembling, disassembling, handling or mixing raw materials or goods); (c) thermal and/or photovoltaic solar energy generation activities framed within the Executive's promotional measures in force at the time of presentation of the project; (d) waste recovery and utilization activities; (e) service activities in the areas of information and communication technologies, biotechnology, creative industries.

In case the users are not qualified in any of the aforementioned activities, the amount and term of CIT exempted will be increased by 5%.

On the other hand, with respect to the Social Security Contributions (CESS, for its acronym in Spanish), the authorized users who carry out industrial activities and operations of storage, packaging, selection, classification, fractioning, assembly, disassembly, handling or mixing of goods or raw materials, provided that they are exclusively associated to the industrial activities set up in the parks, will have a tax credit for the pension contributions associated with the employment committed in the Employment Generation indicator of the investment project for which the tax benefits were obtained.

The benefit referred to in the previous paragraph will be applied during the period specified in the employment schedule (5 fiscal years, unless the investment execution schedule is longer than such period, in which case the compliance with the indicators will be extended accordingly) and exclusively for the workers that are employed in the park during their entire working day.

Control

The control body is the National Directorate of Industries (DNI, for its acronym in Spanish), which may carry out the inspections it deems necessary to ensure compliance with the current regime.

Regulations: Law No. 19,784 (in force for parks authorized since August 2019), Decree No. 79/020, Decree No. 408/022.

VIII. FREE TRADE ZONES

Uruguay has declared the promotion and development of Free-Trade Zones (FTZs) to be of national interest in order to achieve a series of economic and social objectives such as creating jobs, encouraging high-tech activities, promoting decentralization and developing international trade. This materializes through a preferential tax regime with broad exemptions.

FTZs are areas of the national territory designated by the Executive where all kinds of industrial, commercial and service activities can be carried out, with the National Directorate of Free-Trade Zones being the controlling body.

At present there are fourteen FTZs in the country, distributed in the cities of Canelones, Colonia, Colonia Suiza, Florida, Fray Bentos, Libertad, Montevideo, Nueva Helvecia, Nueva Palmira, Punta Pereira, Punta del Este.

In regard to customs tariffs, it should be noted that goods produced in Mercosur countries, or countries with which the bloc has signed agreements, may keep their origin and benefits when they transit through a commercial or industrial free-trade zone. It should be clarified that in order not to lose their origin, only operations aimed at ensuring the commercialization, preservation, fractioning or other operations with similar purposes may be carried out. Within this regime, the following actors can be found:

a. Free-Trade Zones Users

The bodies, individuals or legal entities that are entitled to carry out activities in the FTZ, being direct users those that contract directly with the developer, and indirect users those that contract with a direct user.

Requirements for Becoming a User

- Companies aiming to be users shall complete an investment project that demonstrates the contribution to the objectives of the FTZ regime. The Free-Trade Zone Area must approve this project, as well as the user contract.
- Direct user contracts will have a maximum term of 15 years for industrial activities and 10 years for commercial or service activities, while for indirect users the maximum term will be 5 years in all cases. Extensions may be requested and must be approved by the Free-Trade Zone Area.
- Contracts may have a longer (renewable) term than the aforementioned maximum term in the case of companies that comply with the following:

- For FTZs located outside the metropolitan area: hiring of more than fifty employees and an investment of more than UI 20,000,000 (approx. US$3,200,000) within the first three years.

- For FTZs located in the metropolitan area: hiring of more than one hundred employees and an investment of more than UI 40,000,000 (approx. US$6,400,000) within the first two years.

- Legal entities must establish the development of activities in the FTZ as their sole purpose in their bylaws or articles of incorporation.
- At least 75% of the personnel hired must be Uruguayan citizens. In the case of service activities, said percentage may be reduced to 50%, with prior authorization from the Free-Trade Zone Area.
- The activities in question must be permitted within the framework of the provisions in force.

Permitted Activities

As a general principle and in order to qualify for the broad tax exemptions, the main activities must be carried out within the FTZ.

The permitted activities are:

- Commercialization of goods, warehousing, storage, selection, classification, fractioning, assembling, disassembling, handling or mixing of goods or raw materials of foreign or domestic origin.
- International sale and purchase activities in relation to goods or merchandise located abroad or in transit in national territory.
- Installation and operation of manufacturing facilities.
- Provision of all kinds of services, both within the FTZ and to third countries from it.
- Exceptions are provided for, to be evaluated on a case-by-case basis, such as the development of activities outside the national territory to the extent that they are not

substantial in nature or the rendering of services to taxpayers taxed by CIT to the extent that identical services are rendered to third countries.

Exemptions

In general terms, FTZ users are entitled to total exemption from national taxes, with the exception of Special Social Security Contributions and the Domestic Minimum Top-Up Tax.

Therefore, they will be exempted, for example, from CIT, Wealth Tax, Tax on the Control of Public Limited Companies (in Spanish ICOSA), VAT, Excise Tax, and even the distributions paid to their partners or shareholders will be exempted from IRPF or IRNR, respectively (as long as all their activities are exempted from CIT).

Regarding IRNR, as previously mentioned, under the 2025–2029 National Budget Law, dividends derived from income not subject to CIT may likewise become subject to a 7% withholding, when such dividends are taxed in the beneficiary's country of residence and that country grants a tax credit for the tax withheld in Uruguay.

In particular, it is contemplated that the exemption on income from the exploitation of intellectual property rights and other intangible goods of similar nature will be applicable, provided that said assets are protected and registered under Uruguayan law (Laws No. 9,739 and No. 17,164). Such exemption may be total, partial or null, depending on the relation between direct expenses or costs, with the exception of those contracted with related entities abroad, increased by 30% over the total direct expenses and costs incurred to develop them.

Taxation of Foreign Personnel in FTZ

Foreign FTZ personnel may choose to pay IRNR instead of IRPF if the following conditions are met:

- They are foreign nationals.
- They exercise the option not to be covered by the Uruguayan social security system.
- For income from work as FTZ personnel.

This can mean savings for the individual insofar as the IRNR taxes income at a proportional rate of 12% while the IRPF taxes income at progressive rates ranging from 0% to 36%.

b. Free-Trade Zone Operators

A FTZ may be developed by the State or by private entities duly authorized by the Executive and controlled by the Free-Trade Zone Area. The developer shall be the subject in charge of providing users with the necessary structure to carry out their activity in the FTZ.

These subjects will not enjoy the exemptions granted to users by the Free-Trade Zone Law, but they may benefit from other promotional schemes such as the Investment Promotion Law No. 16,906.

As a particular case, it is provided that FTZ developers located outside the metropolitan area as determined by the Executive will be exempted from all national taxes created or to be created, except for the CIT, the special contributions to social security and the legal services of a pecuniary nature established in favor of non-State social security entities subject to public law.

The developer may hire non-user third parties for the purpose of providing the necessary services to users, who will not benefit from the tax exemptions of this regime.

c. **Free-Trade Zone Customers**

FTZ customers shall be foreign entities, and a minimum percentage may be allocated to local customers, taking into account that the substantial part of the business must be related to the company's activity abroad.

There is an express prohibition on retail trade within the FTZs by FTZ users, except for transactions between users and between users and developers.

On the other hand, developers or non-user third parties may sell the goods and services necessary to perform the tasks of FTZ personnel, and these operations will be taxed with VAT and Excise Tax, if applicable.

Regulations: Law No. 15.921 as amended, and Decree No. 309/018.

It should be mentioned that the Additional Protocol on free-trade zones between Brazil and Uruguay has been in force since October 2022. The Additional Protocol allows total and immediate relief from the common external tariff or national import tariffs for all goods included in ACE No. 1818 produced in Uruguay's free-trade zones and special customs areas. In order to have access to this regime, the merchandise will be required to obtain the MERCOSUR origin certification.19

Interaction with the Domestic Minimum Top-Up Tax (IMCD)

The 2025–2029 National Budget Law introduced the IMCD, applicable to certain entities that are members of large-scale multinational groups. In this context, Decree No. 325/025 regulated the reconciliation of the IMCD with the fiscal stability clauses provided under Free Trade Zone Law No. 15,921.

Specifically, constituent entities of multinational groups subject to the IMCD that hold Free Trade Zone user contracts in effect prior to the tax's entry into force may be wholly or partially exempted from paying the IMCD, to the extent the tax is not creditable abroad or exceeds the amount that would have been payable under the OECD's Pillar Two rules.

IX. FREE PORT AND AIRPORT

The flexibilities granted by this regime can be seen as an incentive for the installation of distribution centers for the region.

The free port regime refers to port customs areas in which special tax and customs provisions are applicable, and is implemented, for example, in the commercial ports of Colonia, Fray Bentos, Juan Lacaze, La Paloma, Nueva Palmira, Paysandú and Puerto Sauce, as well as in the Carrasco International Airport.

18 https://www.gub.uy/ministerio-economia-finanzas/politicas-y-gestion/convenios/mercosur-ace-18-tratado-asuncion
19 https://www.gub.uy/ministerio-economia-finanzas/politicas-y-gestion/convenios/uruguay-brasil-ace-2

Permitted Activities

The activities carried out in said port will not imply any modification of the nature of the product or goods and shall be limited to storage, repacking, remarking, sorting, grouping and ungrouping, consolidating and deconsolidating, handling and fractioning operations.

Thus, we will have:

- Goods-related activities: those that may add value, change the presentation or implement the free disposition or destination of goods, without changing their nature.

Activities related to or associated with the services rendered to goods: loading, unloading, stowage, unstowage and mobilization of packages, transportation, transshipment, re-shipment, transit, removal, warehousing, storage, disposition, ship supply, ship repairs and other related services.

Circulation of Goods

Goods shall circulate freely in the ports and airports without permits or formal procedures being required.

Goods may remain in the free port for a maximum term of five years, and this term may be extended.

Tax Regime

During their stay at the port customs area, goods shall be exempt from all import or import-related taxes and surcharges.

In regard to VAT, the circulation of goods in such areas is tax exempt, while they shall be considered exempt assets in terms of the Wealth Tax.

In regard to income taxation, both CIT and IRNR include rules that exempt income from activities carried out in port customs areas with goods of foreign origin declared in transit or deposited in such areas, when such goods do not originate in the national customs territory, nor are they destined to such territory.

When sales are made to the national customs territory, the exemption will also be applicable to the extent that such operations do not exceed in the fiscal year 5% of the total amount of sales of goods deposited in the premises during said period.

When the goods enter the national customs territory, they shall be considered as imports and taxes and tariffs shall be applicable to them.

Regulations: Law No. 16,246; Article 43, Law No. 17,243; Law No. 17,555, Law No. 19,276 (CAROU); Article 66 (I) of Title 4 and Article 19 (K) of Title 8 of 2023 Consolidated Text.

X. PUBLIC-PRIVATE PARTNERSHIP

Definition

Public-Private Partnership (PPP) agreements are those in which the State entrusts a private party with the design, construction and operation of infrastructure, or any such services, in addition to financing.

Purpose

- PPP agreements shall have some of the following activities as purpose:
- Road works (including rural roads), railway, port and airport works.
- Energy infrastructure works.
- Waste disposal and treatment works.
- Social infrastructure works, including prisons, health centers, education centers, social housing, sports complexes and urban improvement, supply and development works.
- Hydraulic works for irrigation.

Agreement Process

These agreements may originate from a public or a private initiative; in the latter case, the proposal must be submitted to the National Development Corporation (CND, for its acronym in Spanish).

The process will consist of the following stages:

Preliminary assessment: Before starting the contracting process, the contracting Public Administration body must have an assessment document showing the feasibility and suitability of the project in question, which will be submitted to the Planning and Budget Office and the Ministry of Economy and Finance for their consideration and report.

Public call for bids: With a positive report, the Public Administration body may initiate the public call for bids, using any competitive method, including invitation to tender and bids, or any other method that is not contrary to the general principles admitted by the regulations in force.

Submission of bids: Bids shall be submitted with all the required information and documents.

Provisional award: The Technical Commission will classify, in decreasing order, the bids submitted according to the different evaluation criteria. Once a report from the Public-Private Partnership Projects Unit has been received, the contracting Public Administration body, through a competent spending officer, will stipulate the provisional award by means of a well-founded resolution, which shall be notified to all bidders and will establish the definitive terms of the contract.

Final award: The process will continue with the intervention of the State Accounting Oversight Board, which will have 30 calendar days to make a decision, effective as of the receipt of the notification file. The final award shall be granted with the favorable decision of said Board, or it will be deemed approved after 30 days have elapsed without a decision being issued.

The process will be identical for private initiatives, the only difference being that a private proposal will be submitted to the CND, which will be technically evaluated and submitted to the corresponding Public Administration body to begin the process described above.

Tax Regime

As regards the tax treatment of activities developed under PPP agreements, the general scheme shall be applicable.

In particular, intangible assets arising from ownership of rights under the concession contract will be amortized over the useful life of the investment committed and made, having as limit the term of the respective contract. Notwithstanding this, in the case of awards granted since July 1, 2015, such assets may be amortized over a term of 10 years, to the extent so established in the bidding document.

Regulations: Law No. 18,786, Decree No. 17/012, Decree No. 280/012, Decree No. 251/015, Article 94 bis of Decree 150/007.

XI. FOREIGN TRADE-RELATED SCHEMES

a. Tax Refunds

Uruguay has an active policy in place to promote and support the export sector.

In line with these policies, efforts are made not to make the exported product more expensive, in order to make it more competitive in the foreign market.

In terms of VAT, this is implemented by not taxing export sales and refunding the VAT included in purchases of goods and services which make up the cost of such income.

Regulations: Title 10 of 2023 Consolidated Text, Decree No. 220/998.

b. Temporary Admission

Industrial activity operators may use the Temporary Admission (TA) import mechanism, which allows them to enter into the local market foreign goods from abroad for a specific purpose (other than consumption), exempt from taxes, to be re-dispatched within a period of 18 months, either on an "as is" basis or after having undergone a certain transformation, processing, repair or addition of value, with effective employment of labor.

Said term may be extended by the Executive to 18 additional months, by means of a well-founded request to be submitted to the Technological Laboratory of Uruguay (LATU, for its acronym in Spanish).

Regulations: Law No. 18,184, Decree No. 505/009.

c. Export Tax Refunds

A tax refund system is contemplated for industrialized, finished or semi-finished goods of national production that are exported, based on a percentage of the customs value thereof (generally between 3% and 6% of the FOB value, to the extent that 20% of value is added), in accordance with the commitments undertaken by our country within the World Trade Organization.

Regulations: Law No. 16,492 as amended, Decree No. 147/014.

d. Draw-back

The draw-back regime is the possibility of claiming the refund of taxes and charges paid for the import under the general scheme of all those goods that, by definition, can be imported under temporary admission, which were used in the country, in the manufacturing, transformation, repair or value addition, of products intended for export, with effective employment of labor.

Said imports cannot exceed five years since they were customs cleared and will be verified by LATU, once the requests to operate under this refund regime have been authorized.

Regulations: Law No. 18,184, Decree No. 505/009.

e. Stock-taking

It consists of the possibility of replacing goods imported under the general scheme, by the import of similar goods, free of taxes and charges, when such goods have been used as input for the transformation, manufacturing, repair or value addition in the country, of exported products, with effective employment of labor.

Similar goods are those with the same technical characteristics, quality level and tariff item.

Imports, as replacements, must be made for a maximum of the same quantity used and in a single operation.

In addition to this, it must be noted that the request for a stock-taking operation must be made within 5 years from the date on which the goods imported under the general scheme or nationalized were customs cleared. LATU will verify the goods both physically and in terms of documentation, prior to authorizing the request.

Regulations: Law No. 18,184, Decree No. 505/009.

f. Customs Warehousing

Customs warehousing is the customs regime whereby imported goods enter and remain in a customs warehouse without payment of taxes, except for fees, for subsequent inclusion in another customs regime, re-shipment or re-export.

Types:

- Warehouse: Goods may only undergo operations aimed at ensuring their recognition, preservation, fractioning into batches or volumes, and any other operation that does not alter their value or changes their nature or state.
- Bonded warehouse: Goods may undergo operations aimed at facilitating their commercialization or increasing their value, without changing their nature or state.

- Industrial warehouse: Goods may undergo operations aimed at changing their nature or state, including the industrialization of raw materials and semi-finished products, assembly, adjustment, and any other similar operation.
- Repair and maintenance warehouse: Goods may undergo repair and maintenance services, without changing their nature.
- Temporary warehouse for exhibition or any other similar activity: Foreign goods entered may be bound for exhibitions, shows, fairs or other similar activities, with prior authorization from the National Customs Authority.
- Logistic warehouse: Goods may undergo operations which change their state or nature, provided that their origin is not altered. These operations consist of: assembly or adjustments; mixture; placement or replacement of parts, pieces or accessories; hardware setup, software installation; manufacturing of containers, packages, labels or other products, provided that they are used for the commercialization of goods that will leave the warehouse; and other similar operations set by the Executive Branch.

Customs warehouses located in free ports or airports may never adopt the modality of industrial warehouses.

It should be noted that goods in customs warehouses do not lose their Mercosur origin. Goods may remain in customs warehouses for a maximum period of five years and said period may be extended.

Regulations: Law No. 19,276.

Mercosur Origin Regime

Mercosur grants preferences to products traded among its members. In order to benefit from preferences, products must be considered as originating in one of the signatory States, for which purpose they must comply with the provisions under the Mercosur Regime of Origin.

Rules of Origin: These are provisions that establish the cases in which goods may be considered as originating in a given country. A distinction is made between preferential and non-preferential rules.

- Preferential rules of origin: Those necessary to determine the country of origin for the purpose of applying the corresponding tariff preference resulting from a trade agreement.
- Non-preferential rules of origin: These are necessary to determine the country of origin of goods for reasons other than the application of a tariff preference (application of trade defense measures, origin marking requirements, among others).

Certificate of Origin: This is the document permitting verification of the origin of goods and must accompany them in all cases. The certificate must comply with the following requirements:

- Be issued by authorized certifying bodies;
- Identify the goods to which it refers;
- Indicate that the goods to which it refers originate from the State party in question under the terms and provisions of the Regime.

In Uruguay, the Trade Policy Advisory Office of the Ministry of Economy and Finance is responsible for delegating the power to issue certificates of origin to private entities and public bodies.

Certificates of Origin may be issued as of the date of issuance of the commercial invoice or during the following 60 days and must be presented to Customs at the time of import clearance.

Uruguay has adopted "Mercosur Self-Certification," which consists of a "Declaration of Origin" made directly by the exporter on the commercial invoice or other commercial documents, functioning as an alternative to the certificate of origin mentioned above. This has been established under two multilateral agreements: 1) for application within Mercosur, and 2) the Mercosur–European Union agreement. In the case of the latter, the option to use "Self-Certification" has been available since May 1, 2026. In the case of intra-Mercosur trade, it will apply as of October 1, 2026, and will be optional, allowing the exporter to choose the traditional Mercosur Certificate of Origin method instead.

Additional Uruguay-Brazil Protocol: Since October 2022, as a result of the Additional Protocol on free trade zones, products[20].

In particular, States grant total and immediate relief from the Common External Tariff or national import tariffs, when applicable, to all goods included in ACE No. 18 produced in free-trade zones and special customs areas, located in each of the party countries.

In order to enjoy the benefit, the goods must comply with the MERCOSUR Origin Regime. The corresponding certificate of origin shall include the following legend in the "Observations" field: "**ACE 2- 83 Additional Protocol**".

Regulations: Consolidated Text of the MERCOSUR Regime of Origin; Eighty-third Additional Protocol.

20 https://www.gub.uy/ministerio-economia-finanzas/politicas-y-gestion/convenios/uruguay-brasil-ace-2

Uruguay XXI
INVESTMENT, EXPORT AND COUNTRY BRAND PROMOTION AGENCY

WHO WE ARE

We are the agency responsible for promoting exports, investment, and the country brand. We work to enhance the export capacity and competitiveness of Uruguayan companies, promote the country as an attractive destination for productive investment, and drive the Uruguay Country Brand worldwide.

Together with other institutions, we work to promote the country's productive and innovative economic development, with sustainability, social equity, and environmental and territorial balance.

Rincón 518/528 - CP 11.000
Montevideo, Uruguay
Tel.: (598) 2915 3838

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Macro and sector information. Uruguay XXI regularly prepares reports on Uruguay and the various sectors of the economy.

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Contact with key players. We establish contacts with government entities, industry players, financial institutions, R&D centers, and potential partners, among others.

Promotion. We promote investment opportunities at strategic events, trade missions, and business roundtables.

Facilitation of foreign investors visits to the country, including organizing a schedule of meetings with, for example, public authorities, suppliers, potential partners, and business chambers.

Support for establishment and expansion. We facilitate your establishment in the country and support you in achieving business growth in Uruguay.

INVESTOR'S GUIDE

Uruguay XXI
INVESTMENT, EXPORT AND COUNTRY BRAND PROMOTION AGENCY

investinuruguay.uy

invest@uruguayxxi.gub.uy

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