

URUGUAY Jurisdictional Guide



GENERAL INFORMATION

Uruguay is located in Southern South America, and borders the South Atlantic Ocean, between Argentina and Brazil.

Uruguay has a strong democratic tradition, and shows legal and social stability with an open economy together with a solid financial and juridical framework, offering an attractive scenario to foreign investors contemplating business ventures in the region.

Uruguay's economy is characterised by an export-oriented agricultural sector, a well-educated work force, and high levels of social spending. Despite the recent global financial crisis, the country has managed to avoid a recession and keep positive growth rates, mainly through higher public expenditure and investment, with a positive GDP growth.

Uruguay offers an opportunity to register an offshore company in a Free Trade Zone which is exempt from all national taxes, created or to be created. The free zone regime offers an attractive framework for structuring investments with a focus in the international market, either for industrial, commercial or services activities.

COUNTRY INFORMATION

Capital	Montevideo
Political System	Presidential system
Population	300,000
Government	Constitutional Republic
Type of Law	Common
Currency	Uruguayan peso (UYU)
Exchange Control	None
Languages	Spanish
Time zone	GMT-2

Uruguay Advantages

- Reputable jurisdiction
- Foreign income and assets of a Uruguayan Corporate Vehicle are not taxed
- Flexibility
 - o Shares may be bearer
 - o Company does not require more than one director or shareholder
 - o Directors and shareholders may be non-Uruguayan
 - o Presence of directors and shareholders is not required in Uruguay
 - o Purpose may be all-encompassing of any business activity
- Solid banking system
- Free inflow and outflow of capital in any currency

Corporate Information

The most important types of companies in Uruguay are: Corporation (Sociedad Anónima), Branch Office of Foreign Company, Offshore Corporation (Holdings), Limited Liability Company (Sociedad de Responsabilidad Limitada) and Free zones Corporations.

The governing corporate legislation is Law 11,073 of 1948.

The most frequently used type of company by international investors in Uruguay is a Corporation (SA). A Corporation is considered to conduct offshore activities when the Company develops all of its economic activities outside Uruguay, nevertheless, it can be managed and domiciled in Uruguay. The purpose of this type of company is very broad and must be orientated towards economic activities outside Uruguay.

The Sociedad Anónima (SA)

- Capital is divided into shares
- Shares may be bearer shares or nominative shares
- One shareholder may own 100% of the shares
- No minimum capital required; no maximum capital limit
- Shareholder's liability is limited to the paid-in capital

Tax Information

- No taxes on foreign assets or income
- No taxes on distribution of dividends
- The only tax due is an annual flat tax ("ICOSA"): \$460

August 2014

NOTE:

The information contained in this publication is accurate as at the date of its publication and is not intended to be exhaustive nor a substitute for proper professional advice. Please contact our company for consultation. We look forward to assessing your individual business plans and requirements and recommending the right solution for your unique needs.