



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

GLOBAL SERVICES





Reliability

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



Access

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



Talent

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



Lifestyle

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

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URUGUAY | #1 BUSINESS & INNOVATION HUB IN LATAM

Do you want to expand your business in Latin America?

Uruguay is your best business gateway.

Our positive background for **political, social and macroeconomic stability** help global companies flourish and grow. Uruguay has strong institutions and performs well on all major transparency indexes. In 2023 the country reinforced its position as a leading nation in democracy, low corruption, rule of law and civil liberties.

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

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

To serve multiple markets and support employment in knowledge-intensive and high technology sectors, Uruguay's education ecosystem assures access to **qualified talent**, renowned for its ability to master foreign languages and easily adjust to changing circumstances.

Finally, Uruguay offers an unrivalled **quality of life**. Uruguayan cities are ideal for native and newcomers alike with a wealth of culture and a safe, peaceful environment.

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



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

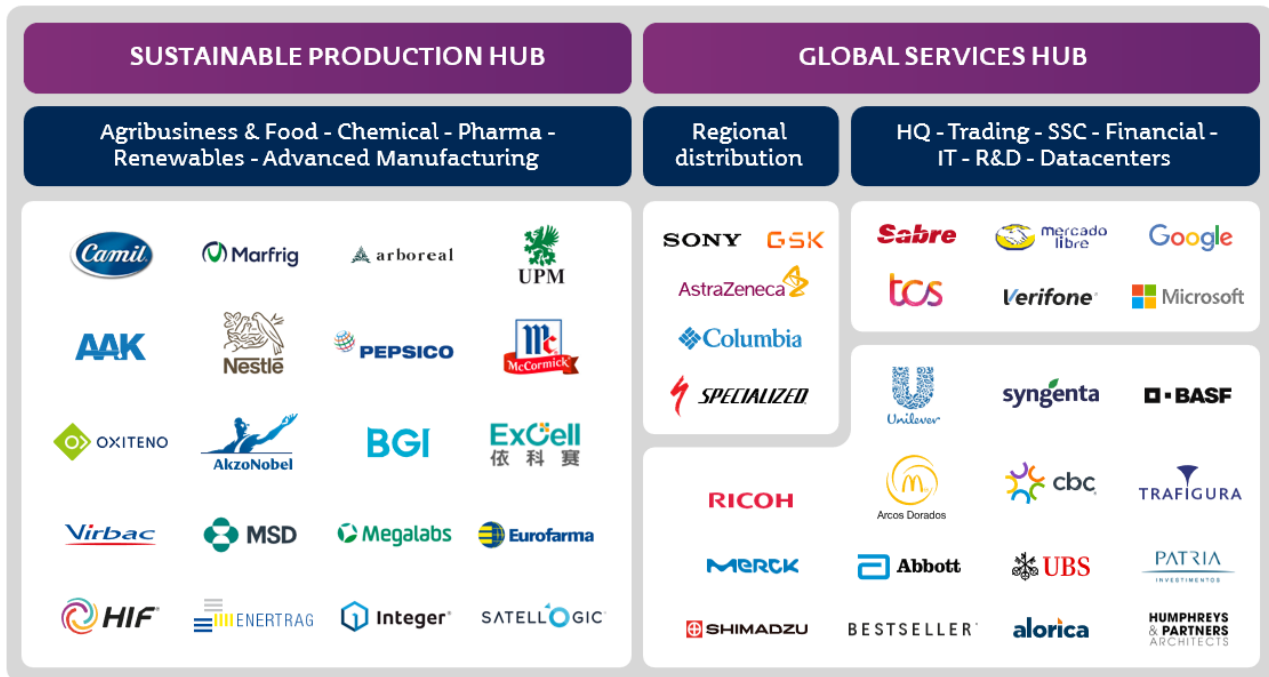


BUSINESS & INNOVATION HUB
#1 IN LATAM

BUSINESS OPPORTUNITIES & KEY INDUSTRIES

Uruguay provides opportunities in two main business models:

global services and *sustainable production*.



As for the former, leading companies such as Alorica, BASF, Merck, Sabre, Tata Consultancy Services, Trafigura and Willis Towers Watson have made Uruguay a hub for centralized activities including customer service, supply chain, inside sales, IT development and trading, along with back office, F&A and HR departments.

Most of these companies usually combine more than one of the following business platforms:

HEADQUARTERS. Uruguay is a great location for companies looking to set up their **regional headquarter**. A vibrant quality of life for expats along with an attractive legal framework to develop **holding activities** generate the ideal conditions to centralize top regional positions (i.e: Unilever, Arcos Dorados, Pluspetrol). As a matter of facts, in recent years and with the arrival of regional entrepreneurs (mainly from Argentina and Brazil) Uruguay became a cluster of high quality startups and talent.

LOGISTICS. Uruguay has acquired a solid position as a strategic transit point for international trade by offering significant **customs, operating and geographical advantages**. The main benefits of setting up a **regional distribution center** in Uruguay include: reducing inventories, delivery lead times and deferring import duties.

TRADING. Centralizing intra-firm trade in Uruguay is an excellent alternative for investors seeking to restructure their businesses while increasing their tax efficiency. Global companies like Abbott, Arcor, CBC, Syngenta, Trafigura and Tenaris already perform such operations from our country taking advantage of an effective income tax rate of less than 1%.

SERVICES. The [shared services model](#) is the most extended among global companies settled in Uruguay. The majority of them provide support for a wide range of non-core functions including finance and accounting, human resources, customer service, IT development and supply chain management (i.e.: *Merck, Ricoh, BASF, Willis Tower Watson, Finning – CAT, Altisource, RCI*), while others also deliver services associated with wealth planning and insurance, investment advisory (i.e.: *UBS, Insigneo Financial Group, Patria Investments*) or even landscape architecture and civil engineering (e.i.: *Humphreys & Partners*). These functions are commonly delivered by captive centers or third-party suppliers (i.e.: *TCS, Alorica, Ingenious Americas, Globant*).

RESEARCH & DEVELOPMENT. Uruguay has a strong innovation ecosystem as well as a mature IT sector both focused on the development of value-added solutions for global markets. Recently, innovation capabilities for challenge solving and acceleration of go-to-market have been strengthened with the start of *NewLab* and *Microsoft Lab's* operations (AI/IOT). Uruguay also offers a dynamic biotechnology-based ecosystem, including more than 150 research groups, a strong network of research institutions like *Pasteur Institute*, as well as incubators owning state-of-the-art technology platforms.

MANUFACTURING is often combined with regional distribution and global services operations. For production, companies may benefit from the free trade zones regime or the tax exemptions granted by the investment promotion law. Both legal frameworks can be used in conjunction with export tax refunds (that may vary from 3% to 6% of FOB value) and the temporary admission regime which allows companies to import raw materials and supplies without paying import taxes, provided these are used to produce goods to be exported no later than 18 months.

[Agribusiness, food & ingredients](#) (i.e.: AAK, Mc Cormick, Pepsico, Nestle), [pharmaceuticals](#) (i.e.: Megalabs, Eurofarma, Eriochem, Iclos, Dasa¹, Virbac, Koenig, MSD), [medical devices](#) (i.e.: Integer), [chemicals](#) (i.e.: Oxiteno, Akapol, Dirox / Stoppani) and [satellites](#) (i.e.: Satellogic) are among the most relevant industries offering major business opportunities in Uruguay.

Uruguay has also positioned itself as a regional player in [energy transition](#) offering investment opportunities throughout the entire value chain of green hydrogen (i.e.: wind/solar generation, H2 electrolysis production, synthetic fuels production, ammonia/fertilizer production, storage/pipeline infrastructure, heavy transport fleets for domestic market consumption).

¹ Diagnostics

SUCCESS STORIES

REGIONAL HEADQUARTERS, SHARED SERVICES CENTERS, TRADING & PROCUREMENT CENTERS

Uruguay's capital city, Montevideo, has become a hub for regional headquarters (HQ), trading, procurement and shared services centers, with key regional positions providing *commercial services, F&A, HR management services, and customer service*. Most of them are located in free zone areas.

Some renowned companies which have set up their HQ/SSC/trading or procurement center in Uruguay include [Abbott](#), [BASF](#), [Finning-Caterpillar](#), [Sabre](#), [Altisource](#), [Hogarth Studios](#), [Arcos Dorados \(McDonald's\)](#), [Pluspetrol](#), [Tenaris](#) and [Unilever](#).

Additionally, trading companies such as [Louis Dreyfus Company](#), [COFCO Agri](#), and [Trafigura](#) have chosen Uruguay as their regional hub.



We create chemistry

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

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

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

Patricia Nunes, Managing Director, BASF Services Americas.



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

Rafael Pérez, LATAM Shared Service Manager, Trafigura .



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

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

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

Virginia Marotta, Managing Director Uruguay, Hogarth Studios.

THIRD PARTY (BPO)

Though most operations settled in Uruguay are captive, there are many examples of global and local third-party service providers (i.e.: [Tata Consulting Services](#), [Alorica](#), [Skytel](#), [Atento](#))



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

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

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

THIRD PARTY (KPO)

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



Willis Towers Watson

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

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

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

Sofía Jaunsolo, Country Head, Willis Towers Watson Uruguay.

IT DEVELOPMENT CENTERS



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

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

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

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

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

THE GLOBAL BUSINESS SERVICES INDUSTRY IN URUGUAY

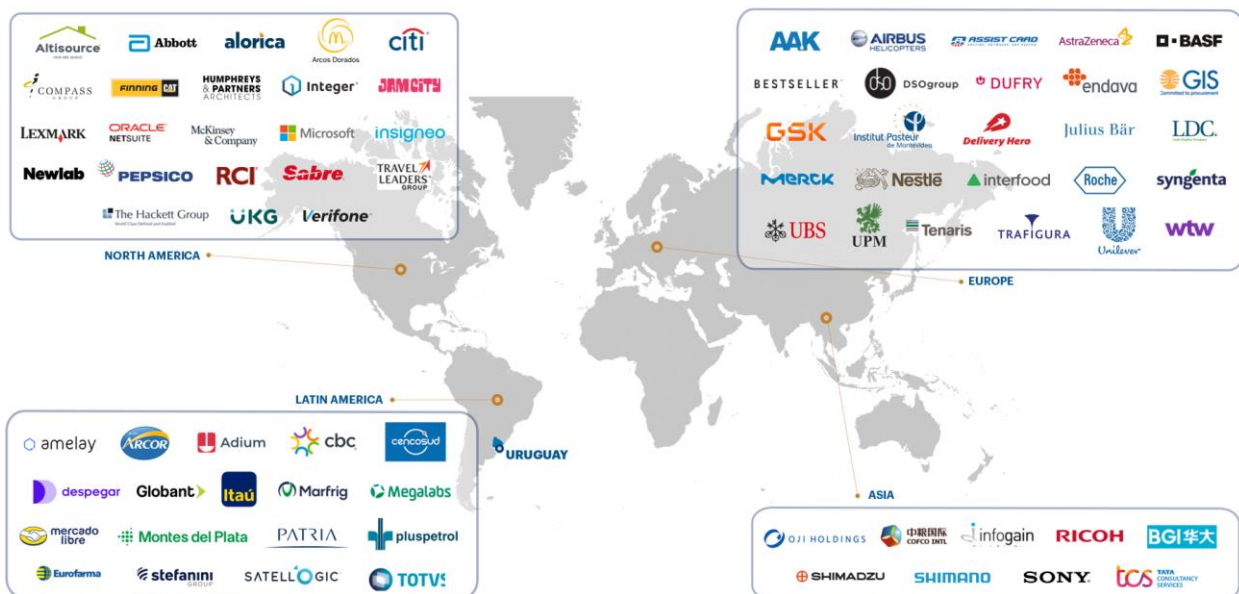
Over **100 GBS Centers**, including leading global brands employ around **20,000** qualified workers.

	Global Services Companies	GBS Centers	
# companies	662	112	17%
Headcount	35,546	19,767	56%

Location – GBS CENTERS

	Outside Free Trade Zones	Inside Free Trade Zones
# companies	52	60
	46%	54%
Headcount	10,035	9,732
	51%	49%

HUB operations in Uruguay



KEY PLAYERS

Company	Origin	Year of incorporation	Location	Headcount*	Logistics	Commerce & Services	ICT
TCS	India	2002	ZA	2,860		✓	
Mercado Libre	Argentina	2011	AP - WTC	1,850		✓	✓
Alorica	USA	2011	AP	1,160		✓	
BASF	Germany	2014	NFTZ	980		✓	
Sabre	USA	2004	ZA	860		✓	✓
Globant	Argentina	2010	AP-WTC	850			✓
Pedidos Ya	Germany	2010	NFTZ	665			
Trafigura	Switzerland	2013	ZA	470		✓	
Ingenious Americas	USA	2016	AP	440		✓	✓
RCI	USA	2005	ZA	400		✓	
Oracle	USA	2012	WTC	380			✓
Sportradar	Switzerland	2010	ZA	370		✓	
Syngenta	Switzerland	2016	NFTZ	330		✓	
Tenaris Group	Italy	2003	NFTZ	300		✓	✓
Adium Pharma	Argentina	2010	ZA	275	✓	✓	
RICOH	Japan	2010	ZA	260	✓	✓	
UKG	USA	2017	NFTZ	240			✓
Hogarth Studios	USA	2021	AP	220		✓	
Internova Travel Group	USA	2019	AP	220		✓	
Cencosud	Chile	2022	AP	185		✓	✓
Pluspetrol	Argentina	2015	NFTZ	175		✓	
Endava	UK	2012	NFTZ	170			✓
Topaz – Stefanini	Brazil	2012	NFTZ	170			✓
Despegar	Argentina	2010	ZA	165		✓	✓
Merck	Germany	1989	ZA	160	✓	✓	
Insigneo	USA	2012	ZA	160		✓	
Perficient	USA	2008	NFTZ	150			✓
Entain Group	UK	2008	WTC	140		✓	
Medallia	USA	2022	NFTZ	135			✓
COFCO	Hong Kong	2002	WTC	95		✓	✓
Bestseller	Denmark	2014	WTC	90		✓	
Finning-Cat	Canada	2003	ZA	90		✓	
Willis Towers Watson	USA	2005	WTC	80		✓	
Deloitte	UK	2001	WTC	80		✓	
Altisource	USA	2009	ZA	70		✓	
Louis Dreyfus Company	France	2002	WTC	60		✓	
Interfood	Netherlands	2011	WTC	60		✓	
Verifone	USA	2006	ZA	50			✓
UBS Financial Services	Switzerland	2011	ZA	50		✓	

Company	Origin	Year of incorporation	Location	Headcount*	Logistics	Commerce & Services	ICT
Dufry	Switzerland	2010	ZA	50	✓	✓	
PWC	UK	2010	ZA	50		✓	
Roche	Switzerland	1947	NFTZ	50	✓	✓	
Humphreys & Partners	USA	2011	WTC	45		✓	
Assist-Card	Switzerland	1998	ZA	45		✓	
Lexmark	USA	2004	ZA	35		✓	
CBC	Guatemala	2018	ZA	35		✓	
Mundostar Itaú	Brazil	2013	AP	35		✓	
Workplace Options	USA	2022	AP	30		✓	
Knight Therapeutics	Canada	2016	WTC	30	✓	✓	
Patria Investimentos	Brazil	2020	ZA	30	✓		
Arcos Dorados	USA	2011	WTC	25		✓	
Infogain	India	2022	ZA	20			✓
McKinsey	USA	2021	WTC	20		✓	
Compass Group	USA	2010	WTC	20		✓	
The Hackett Group	USA	2013	WTC	20			✓

AP - [Aguada Park](#)

PDLC - [Parque de las Ciencias](#)

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

ZA - [Zonamerica](#)

NFTZ - Non-free trade zone territory

ANNEX I: URUGUAY'S VALUE PROPOSITION

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



Reliability

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

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

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



Democracy Index
(Economist Intelligence Unit, 2023)

#1



Rule of Law Index
(World Justice Project, 2023)

#1



Low corruption
(Transparency International, 2023)

#1



Social Mobility
(World Economic Forum, 2020)

#1



Civil Liberties
(Freedom House, 2024)

#1



**E-Government
Development Index**
(United Nations, 2024)

#1

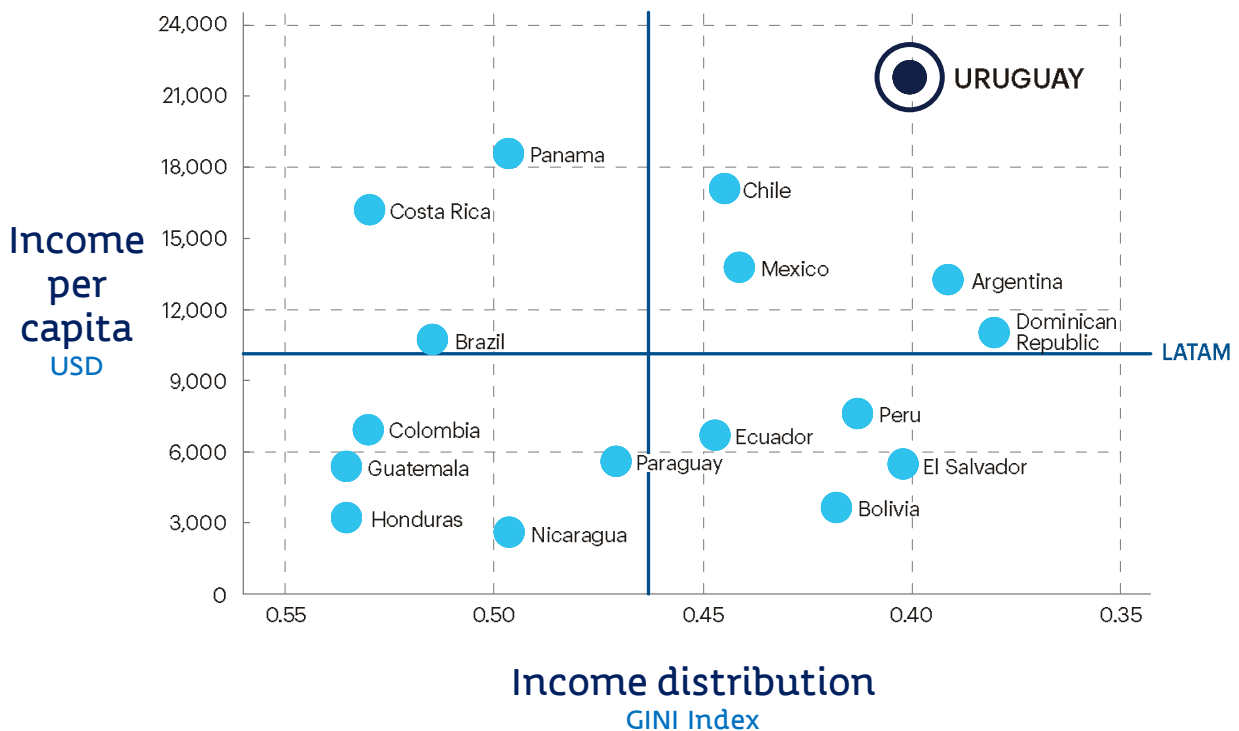
Uruguay is among the world's leading economies for investment, according to the ESG Index that takes into account the quality of governance, social and environmental factors.

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

Macroeconomic stability

Between 2003 and early 2020, the Uruguayan economy grew at an average annual rate of 3.8%, meaning the longest period of economic expansion in history. After a period of contraction in 2020 and early 2021 due to the COVID-19 outbreak, Uruguay's GDP grew at a rate of 4.9% in 2022 and 0.51% in 2023.

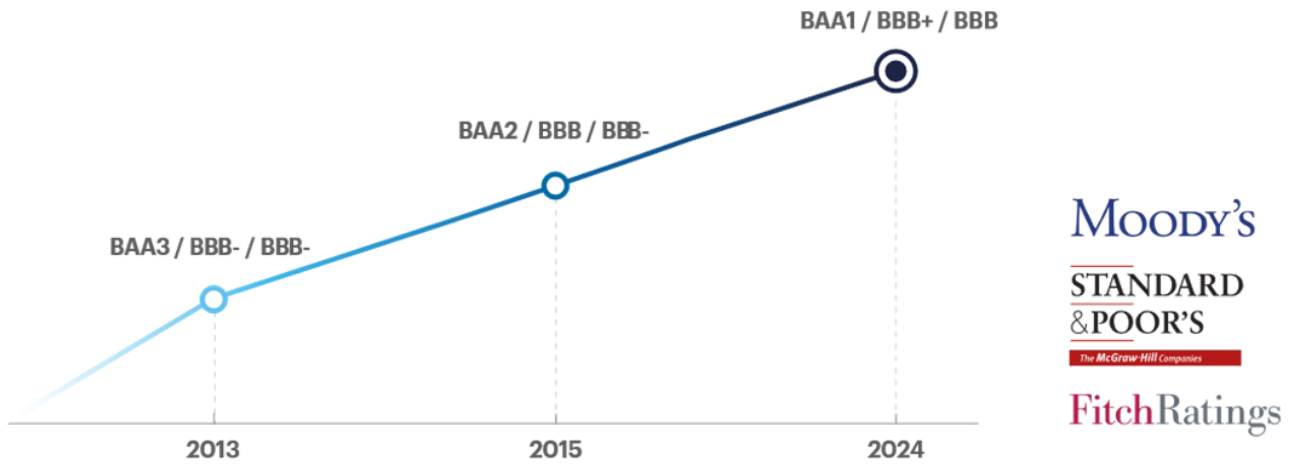
On the other hand, Uruguay's economic growth has been reflected in the **per capita income**, which increased from US\$ 5,000 in 2005 to US\$ 22,841 in 2023 (measured in current US\$), being the **highest in Latin America**.



The country's income distribution is also worth noting as **Uruguay is the most egalitarian country in the region** according to any income distribution measure.

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

12 consecutive years of investment grade



Source: Ministry of Economy and Finance of Uruguay, J.P. Morgan Chase (September 2024).

Easy for business





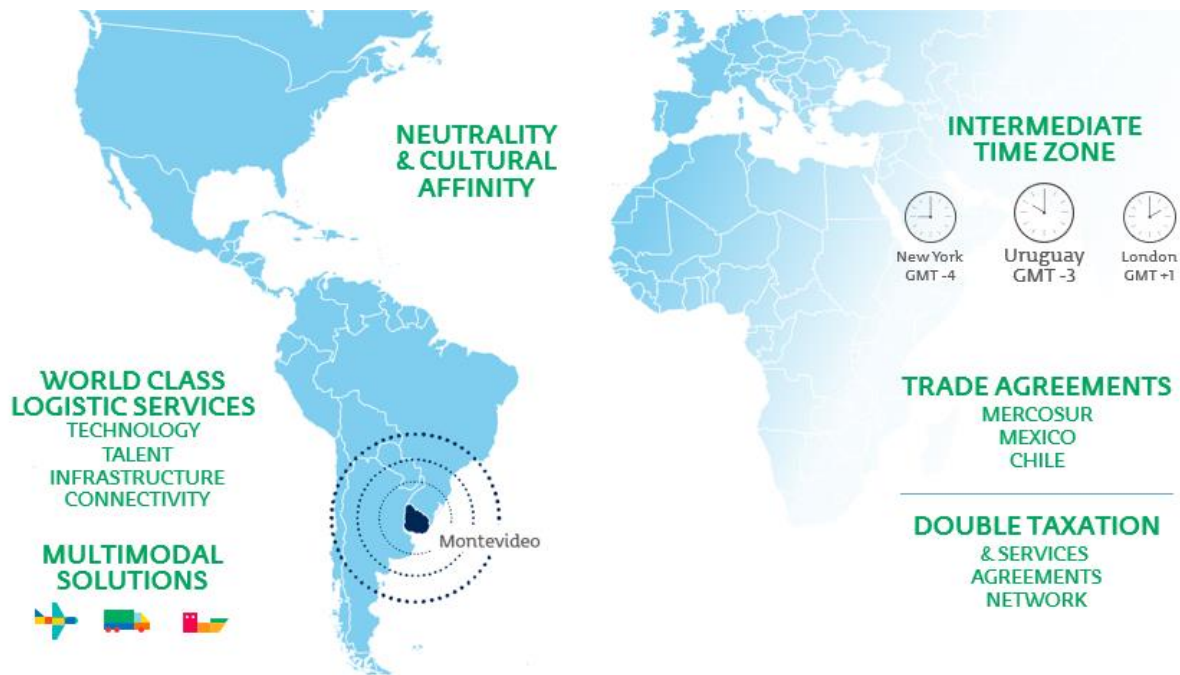
Access

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

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

As a MERCOSUR member and thanks to its Free Trade Agreement with Mexico and Chile, Uruguay offers access to a market of more than 400 million people.

On top of that, Uruguay is well-positioned as a regional business and logistics hub due to its proximity to the wealthiest areas in South America. The country's free zones, free ports and airport, and bonded warehouses are ideal places to set up distribution centers.



Moreover, Uruguay's cultural affinity with Europe and North America, similar time zone, and excellent telecommunications infrastructure make the country an ideal nearshore location with those markets.

A COUNTRY THAT EMPOWERS DIGITALIZATION

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

Leader in communications in Latin America



Internet penetration
- fixed broadband
(International Telecommunication Union)

#1



% of homes connected
by optical fiber

#1



Adoption of IT
(World Economic Forum)

#1



% of companies
connected by optical fiber

#1



Digital Nations member
(World's leading digital
governments)

#1



E-Government
Development Index
(United Nations, 2024)

#1

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



Talent

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

Uruguay has a highly educated population due to the **quality of basic, technical and university education**, their **adaptability** into new business processes and technologies, and the **ability to master foreign languages** such as English and Portuguese.

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

One Laptop Per Child Program



CEIBAL is an initiative launched by the Uruguayan government in 2007, based on the [One Laptop Per Child \(OLPC\)](#) program.

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

Ceibal has empowered future generations to face new work challenges and has helped young people improve their English skills.

Population & labor force

Around **53%** of Uruguay’s labor force is concentrated in the metropolitan area of Montevideo.

2023	Country Total	Metropolitan Area
Population	3,444,263	1,822,066
Productive population	61%	63%
Labor force	1,778,664	948,846
Unemployment rate	8%	9%

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

Full-time employment – Country total		74,275
Business services & ICT employment per type of functions	Contact Center (including voice operations such as inbound and outbound sales services)	4,354
	Non-voice business functions (including F&A, payroll, supply chain management, financial services, business advisory, among others.)	47,357
	Information & Communication Technology services (including software development, tech support, infrastructure management, etc.)	22,564

Source: Continuous Survey of Households - National Statistical Institute of Uruguay (2023)

EDUCATION	Technical	Bachelor Degree (University)
Educational institutions	19	71
Enrolled students	36,019	246,500
Annual admissions	19,375	43,050
Annual graduates	9,066	8,812
Business Services related		
Enrolled students	18%	41%
ICT related		
Enrolled students	12%	7%
Architecture, Engineering & Creative Services related		
Enrolled students	10%	13%

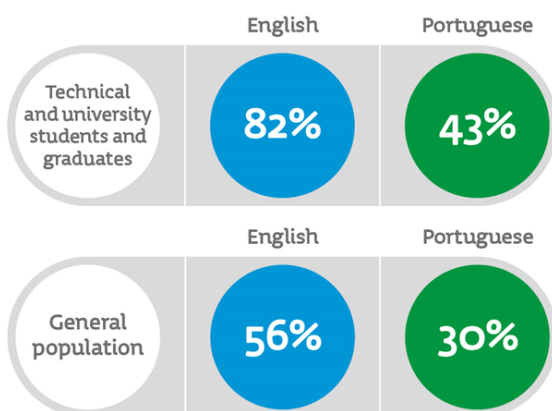
Source: Education Statistical Yearbook, Ministry of Education.

MULTILINGUAL TALENT

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

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

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



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

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

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

Source: ETI 2019, ECH 2018 - 2019

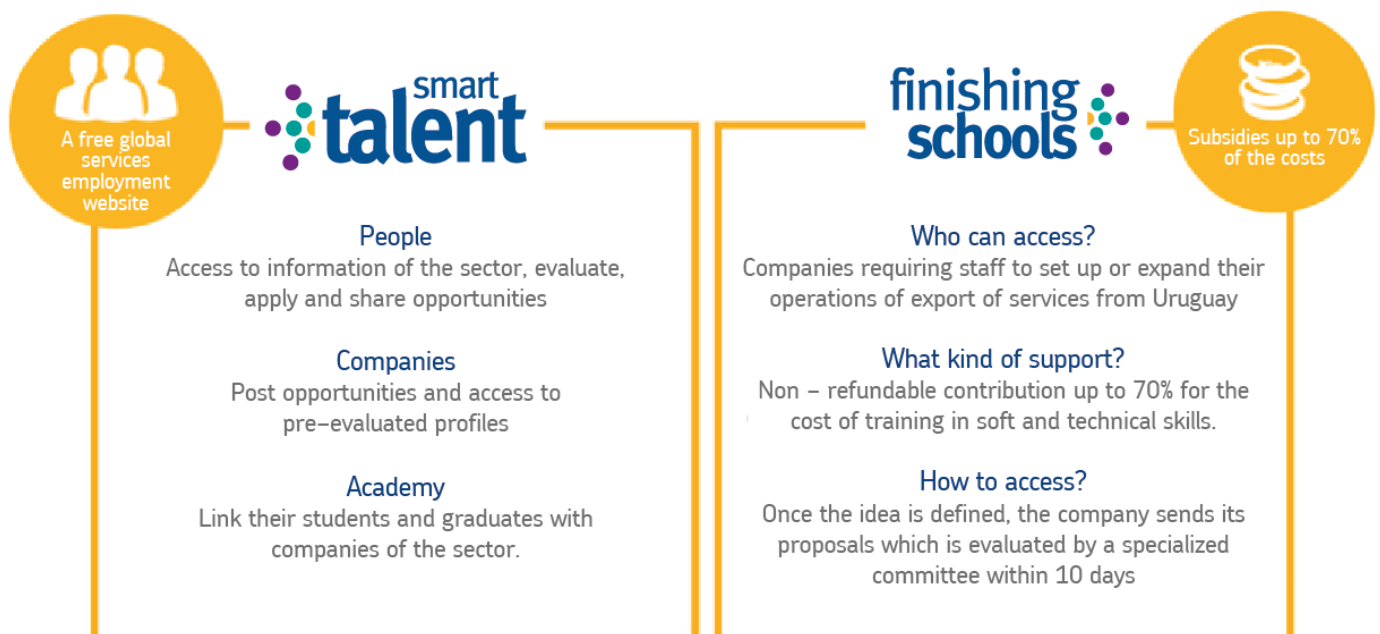
SUPPORT AND TALENT DEVELOPMENT TOOLS

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

Since the program started operating (2012):

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

Smart Talent is an employment website focused on global business services where companies can post their job openings and vacancies free of charge and search for talent among more than 55,000 registered profiles. Smart Talent also functions as a platform to promote the local global business services industry through a series of awareness-raising activities.



Fast Track



FAST TRACK VISAS & RESIDENCES PERMITS



For exporting companies in Uruguay



For employees and their relatives



Visa/residence will be authorized within 10 business days



Can be started in Uruguay or abroad

Any foreigner hired by local or international exporting companies may apply for visa facilitation and/or temporary residence, whether in Uruguay or abroad. The requirements will depend on their country of origin.

For inquiries: fast-track@uruguayxxi.gub.uy

[Click here](#) for more information about the required documentation for residences.



Lifestyle

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

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

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



Health



Education



Commuting



Recreation

According to [Mercer's 2023 Global Quality of Living Ranking](#), Montevideo ranks number 89 overall, and emerges as the number one city in Latin America. Factors such as internal stability, law enforcement effectiveness, crime levels, medical facilities, infrastructure, and public transportation, are taken into consideration by the Mercer research team.

ANNEX II: INVESTMENT PROMOTION SCHEMES & TAX INCENTIVES

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

» Investment Promotion Law

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

» Free-Trade Zones Law

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

Benefits granted to companies set up in free zones are:

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

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

» Trading activities

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

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

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

» Shared Service Centers (Decree 251/014)

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

- Companies create at least 150 new direct qualified jobs by the end of the first three years, which must be kept until the end of the fifth year. At least 75% of the jobs must be held by Uruguayan citizens (provisional reductions may be authorized).
- Company implement a Training Plan for Uruguayan employees of an outlay of at least 10,000.000 Indexed Units (approximately US\$ 1,466,000) during the aggregate of the first three years. Important note: this can be combined with the Finishing School training grants.
- Companies carry out new undertakings.

The exemption term shall be of ten years when (i) the minimum number of jobs exceeds 300 by the end of the first five years and are kept until the end of the exemption period; and (ii) the outlay in training exceeds UI 20,000,000 (approximately US\$ 2,932,000) during the first six years.

70% exemption of Corporate Income Tax (IRAE) and Wealth Tax (IP) applicable to assets for a period of five years provided that:

- Companies create at least 100 new direct qualified jobs by the end of the first three years, which must be kept until the end of the fifth year. At least 75% of the jobs must be held by Uruguayan citizens (provisional reductions may be authorized).
- Company implement a Training Plan for Uruguayan employees of an outlay of at least 5,000.000 Indexed Units (approximately US\$ 733,000) during the aggregate of the first three years. Important note: this can be combined with the Finishing School training grants.

» **Call Centers - VAT Exemption (Decree 187-018)**

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

» **Contact centers**

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

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

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

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

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

» **Tax benefits for Global Services Companies located outside Montevideo**

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

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

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

- the following ratio surpasses 60% each financial year:

$$\frac{\text{total remuneration costs for services rendered under an employment contract}}{\text{total remuneration costs rendered under an employment contract and out of it}}$$
- they are located within an 80 km radius from Montevideo’s city center;

- they generate at least 15 new direct qualified jobs at the end of the first two years;
- at least 50% of the personnel is Uruguayan (provisional reductions may be authorized);
- they provide services to at least 5 entities.

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

» Regulations applicable to youth employment

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

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

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

Incentives included in this regulatory framework

- **First Work Experience:** it allows the hiring of young people between 15 and 24 years old without formal work experience for a term of more than 90 calendar days. The hiring term will be a minimum of 6 months and a maximum of 12 months. The subsidy to be granted will be equivalent to U\$6,000 per month for each young person hired on a full-time basis. If a young woman between 15 and 24 years of age is hired, the subsidy will be U\$ 7,500 per month for full-time hires. In all cases, if the workday is not full-time, the subsidy will be prorated according to the hours actually worked, with the minimum number of hours to be hired being 20 per week.

The contribution will be granted for a maximum period of 12 months, and will be subject to job retention.

- **Protected Youth Employment:** it involves the hiring of young people up to 29 years old, unemployed and from households with income below the poverty line set by the National Institute of Statistics (INE). The term foreseen for these hires cannot be less than 6 months or more than 1 year. A partial subsidy will be granted on the young person's salary, of up to 80% of the monthly salary and taxed by special social security contributions. The subsidy is capped at 80% of the amount corresponding to two national minimum wages.
- **Internship for Graduates:** aimed at hiring young graduates without previous experience related to their professional training. The maximum hiring period is 12 months. The young person must have graduated from public or private technical, commercial, agricultural or

service education centers. Companies hiring young people in this modality will be granted a 15% subsidy on the worker's monthly remunerations which are taxable for special social security contributions. The subsidy is capped at 15% calculated on the basis of 2 minimum wages.

- **Training internships in companies:** aimed at young people who are currently studying. The internships may be paid or unpaid and must be related to the field in which the person receives training. Companies that hire young people in this modality will be granted a subsidy of up to 50% of the worker's salary. The subsidy cap will be calculated on the basis of 75% of the minimum salary of the category applicable to the worker, according to the provisions for the corresponding group of activity.
- **Subsidies for unemployed young people:** In this hiring modality, the Ministry of Labor and Social Security (MTSS) will grant a temporary subsidy to companies that hire as new workers young people between 15 and 29 years of age who are unemployed continuously for more than 12 months, or discontinuously for more than 15 months in the 24 months prior to hiring. The contracted time must be at least 20 hours per week. The subsidy will be granted for 12 months.

The subsidies will be paid in the form of credit to be used towards current obligations with the Social Security Authority (BPS).

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

» Tax Residence in Uruguay

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

Requirements to obtain Tax Residence in Uruguay:

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

- **The taxpayer stays more than 183 days during a calendar year within the Uruguayan territory.** In order to determine their presence within the national territory, sporadic absences would be computed in the conditions set forth by the regulation, unless the taxpayer proves their tax residency in a different country (which should be proved through a certificate of residence issued by the competent tax authority of the corresponding country).
- **The taxpayer has their main base of activities within the national territory.** That is to say, when the volume of income generated in Uruguay exceeds the volume obtained from any other country.

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

Decree No. 163/2020

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

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

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

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

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

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

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



ATTRACTION AND PRE-INVESTMENT

Promotion of country value proposition and investment opportunities.

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

Organization of agendas for visits to Uruguay.

Advice and facilitation of public and private contacts.



SETTLING DOWN AND DEVELOPING A BUSINESS

Facilitation of procedures in public organizations.

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

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

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

Support for the development of re-investment opportunities.

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