

INVESTOR'S **GUIDE**

Setting up a company in Uruguay

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Uruguay

SETTING UP A COMPANY IN URUGUAY

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1. INTRODUCTION

Uruguayan positive law includes almost all available legal entity types in the world, allowing for the creation of a new legal entity, as well as the registration of a subsidiary office of a foreign company.

When establishing a new legal entity, the most commonly used types are Simplified Joint Stock Companies (whose capital may be represented by nominative or book-entry shares), S.A. or Stock Corporations (whose capital may be represented by nominative, book-entry or bearer shares) and Limited Liability Companies.

Other less used types of legal entities are General Partnerships, Limited Partnerships, Capital and Industrial Partnerships and De Facto Partnerships. It is also possible to operate as cooperatives, foreign branches, consortia and economic interest groups (EIGs) and, in the case of individual enterprises, as sole proprietorships. With the exception of consortia and sole proprietorships, all the aforementioned legal entities and EIGs have legal personality.

2. STOCK CORPORATION (S.A.)

The stock corporation (S.A.) is a type of legal entity used for the development of commercial or industrial activities and is frequently used by large companies. The law also provides for the existence of special corporations whose purpose is the development of specific activities, with incorporation and operational requirements that differ from those established for ordinary corporations.

MAIN ASPECTS OF STOCK CORPORATIONS FOR INVESTORS CONSIDERATION

Business Line	No operational limitations of any kind, and may, in general, for participating in any type of activity. Some activities require prior state approval, e.g. for banking activities.
Liability	The liability of investors, as shareholders, is limited to the amount of the capital they have committed to contribute.
Capital	There are no maximum or minimum capital requirements. The only requirement for corporate capital is that it must be in local currency. There are exceptions (e.g., Financial Investment Corporations operating under the regime of Law No. 11,073 ¹ , where capital may be expressed in foreign currency).
Personal commitment	As a capital corporation, individuals are completely disassociated from the company.

¹ Available at: <https://www.impo.com.uy/bases/leyes/11073-1948>.

MAIN ASPECTS OF STOCK CORPORATIONS FOR INVESTORS CONSIDERATION

Anonymity	<p>Shares may be book, nominative or bearer, except in certain activities (e.g. financial, insurance, agricultural radio and television stations, etc.) where they must be nominative.</p> <p>Shareholders must provide the corporation with their identification details which will be provided to the Central Bank of Uruguay (BCU, for its acronym in Spanish), on a confidential basis. Entities listed on the Stock Exchange or which have been the object of a public offering are excepted, provided that the securities are immediately made available for sale.</p>
Dividends	<p>Generally, dividends are distributed in proportion to the paid-in capital. Entities are obligated to distribute a minimum dividend to shareholders of at least 20% of net yearly profits.</p>
Transfer	<p>Bearer shares are transferred by simple delivery, nominative shares, if endorsable, must be endorsed and their transfer must be communicated to the corporation in order to be recorded in the Nominative Shares Registry Book. Book-entry shares are not issued in negotiable instruments and their ownership, transfers and encumbrances must be recorded in the book kept by the company, the Register of Book-entry Shares.</p>
Other	<p>After it has been created, the stock corporation may have a single shareholder owning all of its capital.</p> <p>The investor may finance the corporation through capital contributions or through loans on similar terms to those of an independent third party.</p> <p>There are two types of stock corporations:</p> <p>Open: Basically, those that resort to public savings for their capitalization or list their shares on the stock market.</p> <p>Closed: Those that are not open.</p>

2.1. Operation

BOARD OF DIRECTORS OR ADMINISTRATOR

A stock corporation is managed by a Board of Directors or an Administrator, as determined by the Bylaws or the Shareholders' Assembly. The Administrator or the directors may be individuals or legal entities, national or foreign, and may be domiciled either within or outside the country. While the corporation remains "in formation", not having formalized its registration, but in operation, these authorities are jointly and unlimitedly liable for the company's obligations.

SHAREHOLDERS' ASSEMBLY

The Shareholders' Assembly is the sovereign body of the corporation. It is necessary to hold an annual Shareholders' Assembly to consider the progress of the business, the performance of the Board of Directors and to approve the financial statements for the year, which must be prepared in accordance with Uruguay's appropriate accounting standards. For the examination of matters other than those dealt with by the ordinary Shareholders' Assembly, it is necessary to convene an Extraordinary Shareholders' Assembly. These must be held in the national territory.

Shareholders' Assemblies typically make decisions based on the will of the absolute majority of shareholders present, unless otherwise stipulated in the Bylaws or by national legislation. The Law on Commercial Companies No. 16,060² provides for the following exceptions to the aforementioned principle: advantages and terms of amortization and redemption of shares; participation of the corporation in other companies; establishment of voluntary reserves; merger, spin-offs, transformation, extension or early termination of the company; transfer of the company's domicile abroad; fundamental change of purpose; capital increase or reinstatement (majority of paid-in capital); failure to pay the minimum mandatory dividend at year-end to shareholders (75% of paid-in capital).

Shareholders may be represented at the Assemblies by third parties, by means of proxy letters, provided that they are specific to a single assembly.

Assemblies may be held by video conference or by any other means of simultaneous communication that provides certainty as to the identity of the participants, as well as regarding the real-time bilateral or plurilateral connection in image and sound of the remote attendees.

All Assemblies must be organized by the Board of Directors, or the Administrator and the notice must be published in the Official Gazette as well as any other newspaper. Publication is not required when shareholders representing the total integrated capital are in attendance.

CAPITAL REQUIREMENTS

The by-laws must establish the authorized capital, which has no maximum or minimum, and the founders must contribute at least 25% at the moment of registration and are obliged to contribute the remaining capital until reaching 50% of the total, an obligation that has no expiration date. The authorized capital must be in local currency, and so must the accounting records. If the corporation has a functional currency other than the Uruguayan peso, it must also keep its accounting records in the functional currency³. Shares may be common or preferred.

2.2. Controls

Stock Corporations, except for Free Trade Zone Corporations (SAZF, for its acronym in Spanish) -in which only the National Internal Audit Office (AIN, for its acronym in Spanish) intervenes for the purpose of controlling the subscription and capital pay up- are subject to control by the AIN during their establishment, amendment of bylaws or capital, dissolution, transformation, merger or spin-off, but during their operation and liquidation the control is restricted to open corporations.

Except for corporations listed on the stock exchange, the Central Bank of Uruguay keeps a record of shareholders. The shareholders must submit, in the form of an affidavit, records allowing for the identification of the shareholder and the verification of the nominal value of securities held. This information is confidential, and only a limited number of public agencies may access the information contained in the BCU's database, under very specific circumstances. Persons that the representative of the stock corporation has previously authorized may also access the information.

² Available at: <https://www.imo.com.uy/bases/leyes/16060-1989>.

³ Decree N° 108/022 ([imo.com.uy](https://www.imo.com.uy)).

2.3. How to set up a stock corporation?

In Uruguay there are two ways to open a stock corporation:

- » Traditional procedure as detailed or
- » Acquiring an existing (unused) company from a law firm.

TRADITIONAL PROCEDURE

The founders must approve corporate bylaws, which must be further approved by the National Internal Audit Office, registered in the National Commerce Registry (RNC, for its acronym in Spanish) and published (an extract) in the Official Gazette and in nationwide newspaper. The incorporation period may take several months. During this period the company may operate as "S.A. in formation", where the founders can be held jointly and unlimitedly liable to the company and third parties. The corporation must be registered with the General Tax Directorate (DGI, for its acronym in Spanish), the Social Security Authority (BPS, for its acronym in Spanish), the Ministry of Labor and Social Security (MTSS, for its acronym in Spanish) and, if it has personnel, with the State Insurance Bank (BSE, for its acronym in Spanish).

The traditional procedure for incorporation involves the following steps:

a. Holding of a Shareholder's Assembly

Cost:	Notary fees, 5% based on capital (the minimum fee to be charged for any professional intervention may not be less than US\$ 1,638.85)
Duration of the procedure:	1 business day.
Requirements:	The assembly must establish attendees, company name; domicile; purpose or activity proposed; capital, contributions, manner in which profits will be distributed and losses will be borne; administration regime; assemblies and internal control regime. If applicable, the first board of directors or administrator may be appointed, as well as the trustee or fiscal commission – in addition to establishing the mechanism for their appointment and the term of registration for the company, Lastly, the nature or classes, amount, terms of creation and issuance, if any, and other characteristics of the shares; the term may exceed 30 years.

b. Approval of Corporate By-laws⁴

The National Internal Audit Office must approve the bylaws. This agency is an executing unit of the Ministry of Economy and Finance (MEF) and its purpose with corporations is to control the bylaws' legality and the minimum capital subscriptions and integrations in registered corporations.

⁴ Source: [National Internal Audit Office](#).

The procedure can be carried out either online or in person⁵. It is possible to choose one of the standard Bylaw templates prepared by the AIN (which can be acquired at the AIN office or downloaded from its website), or to submit a personalized Bylaw draft.

Cost:	US\$ 839 ⁶ (standardized statute approval)
Time frame for completion:	30 calendar days immediately following its incorporation.
Requirements:	Original bylaws or notarized testimony of them, including certification of signatures, with the appropriate fee and notarial fiscal stamp. Certificate of integration and subscription of capital with the appropriate professional or notarial fiscal stamp, according to the templates available on the web page: www.ain.gub.uy . Statement approval request and copy, including the following applicant's data: address, telephone number and e-mail address. The note must be addressed to the Nation's Internal Auditor and must be signed by an authorized person.

c. Registration in the National Commerce Registry (RNC in Spanish)⁷

Once the AIN has approved the Bylaws, the corporation must register with the National Registry of Legal Entities - National Commerce Registry Section (RNC), in order to comply with some of the necessary requirements for the purchase of the corporate form. The RNC belongs to the General Registry Directorate (DGR, for its acronym in Spanish), which is an executing unit of the Ministry of Education and Culture (MEC).

This process can be carried out through the DGR's website in the section on remote requests for registry information.

Cost	Registration Fee (US\$ 65)
Duration of the procedure	Approximately 30 business days.
Requirements	Notarized copy of protocolled Articles of Incorporation granted in a private document with notarized authentication of signatures or the first copy of the public deed; Notarized and protocolled copy of bylaw approval by the AIN; Document showing registration of commercial corporations (form approved by the DGR); Notarized certification or proof of the registration number of the corporation in the Single Tax Registry (R.U.T.); Payment receipt of the ICOSA (Tax on Establishment of Corporations).

⁵ In the following link it is possible to see requirements for either option [link](#).

⁶ An average estimated exchange rate of 1 UR = UYU 1,634 and 1 US\$ = \$38.974, rate as of December 1, 2023, was used in this document.

⁷ RNC: <http://portal.dgr.gub.uy>.

d. Publication of the Corporation's Bylaws

With the publication in the Official Gazette and in another newspaper of choice, the company is considered to be duly constituted as a stock corporation.

OFFICIAL GAZETTE AND OTHER NEWSPAPER	
Cost	US\$ 315 (Average price for standardized by-laws)
Time	1 business day
Requirements	Proof of Registration in the National Commerce Registry (RNC).

e. Single window: BPS and DGI

Single Window is a service provided by the Social Security Authority (BPS) and the National Tax Authority (DGI) that unifies the registration procedures (enrollments, modifications, closures) of taxpayers. The DGI is an executing unit of the MEF and a tax and collection agency. The BPS is an autonomous entity of the Uruguayan government and the competent agency for the provision and coverage of social security.

The procedure can be carried out in person or online through the BPS Online Services Portal⁸. For the latter, the taxpayer must be domiciled in Uruguay and be a registered user of the BPS website.

Cost	Professional stamps and charges
Deadline for completion	30 calendar days from the date of incorporation.
Requirements for in-person procedure	Forms: 1) registration and update (No. 0351), 2) natural related persons (No. 0352) 3) related legal entities (No. 0353) - 3 double-sided copies. Access at DGI and BPS. Required documentation: 2 photocopies of the identity documents of the holders; notarized certification with their respective notarial fiscal stamps and 2 photocopies establishing: signature of all the founders, information of the founders, fiscal domicile, date of the act of incorporation. If any of the founders has legal personhood, additional documentation must be submitted.
Requirements for the online procedure	Registered address in Montevideo and registered user on the BPS website. Access to the BPS online services platform. Three copies of Form 0380 with professional stamp (provided by BPS once the application is received).

⁸ Online Services Portal: <https://serviciosonlinea.bps.gub.uy>.

f. State Insurance Bank (BSE)

The BSE is an autonomous entity of the Uruguayan government. Employers who have dependent personnel must apply for Occupational Accidents and Diseases Insurance with the above-mentioned entity.

Cost	Free of charge
Deadline for completion	When hiring personnel
Duration of the procedure	1 business day
Requirements	Form No. 1990 - Application for Occupational Accident and Disease Insurance. The form can be accessed through the website and then must be filed at any of the branches of the BSE.

g. Registration of a Company with personnel

In accordance with the provisions of Decree No. 278/017 as of October 2017, the records of the Ministry of Labor and Social Security (MTSS) and of the BPS were merged, thus creating a single record called "Unified Work Spreadsheet". The companies that make payments to the BPS must carry out the relevant procedure in the Affiliates Management System (GAFI, for its acronym in Spanish) of the BPS website. The registration must include the activity information required by this agency within the established deadlines, as well as the information on the working conditions of each employee.

When the company has its first employee, it must register the Labor Record Book at the MTSS citizen service center. This procedure can be completed at the moment of hiring.

Cost	Free of charge
Deadline for completion	10 days prior to and up to the date of hiring, including the date of entry ⁹
Requirements	Having a user in the BPS Online Services Portal. Labor Record Book filed with the MTOP.

Processing of the Labor Control Form will remain in force only for those who contribute to the Banking, Professional and Notarial Funds.¹⁰

⁹ For rural and construction workers, the deadline is 72 and 48 working hours after the date of entry, respectively, after the 10 days prior to entry have elapsed.

¹⁰ This procedure is carried out through the "Venetus" system: <https://venetus.mtss.gub.uy/>.

Cost	Free of charge
Deadline for completion	10 business days from the day after the company started its activities.
Duration of the procedure	15 business days.
Requirements	Original copy of the Registration Record in BPS and DGI, Labor Record Book, BPS Sheet (original or photocopy).

ACQUIRING AN EXISTING CORPORATION WITH NO PREVIOUS ACTIVITY

Instead of complying with the corporate incorporation procedure, it is possible to acquire a pre-constituted corporation (either a common corporation or a special corporation) that has not yet carried out any activity. The acquisition of control of these corporations is made through a simple transfer of shares upon payment of a price and the appointment of a new Board of Directors, which can be formalized in one day. This method is widely used and is the most common. The cost of the acquisition and start-up of a pre-constituted corporation is approximately US\$ 5,000, depending on the type of corporation in question. After the purchase, the company is operational within 72 hours.

2.4. Free Trade Zone Corporatio¹¹

Free Trade Zone Corporations (SAZF, for its acronym in Spanish) are a special type of corporation whose exclusive purpose is to carry out commercial, industrial or service operations in Free Trade Zones (ZF), under the regime of Law No. 15,921.¹²

Its constitution is carried out under a simplified regime that does not require the AIN to approve the articles of incorporation, although there must be a capital integration control by said agency. The bylaws must be registered with the RNC, and the user contract must be authorized by the General Commerce Directorate - Free Trade Zone Area.

To operate a SAZF the company must:

- » Be registered with the DGI and BPS.
- » Obtain approval of the Free Trade Zone user contract (direct or indirect) and of its investment project by the General Commerce Directorate - Free Trade Zone Area.
- » The user contract must have signatures certified by a Notary Public.
- » Unified Work Spreadsheet (BPS).
- » Establish the payroll of foreign personnel and whether they wish to benefit from the social security system in force in the country.

¹¹ Decree N° 309/018.

¹² Available at: <https://www.impco.com.uy/bases/leyes/15921-1987>.

Proof of subscription and capital integration can be obtained online or in person (only in Montevideo and by appointment) at the AIN¹³.

SUBSCRIPTION AND INTEGRATION OF CAPITAL FOR A SAZF

Cost	US\$ 419
Time	30 calendar days from the day after the date of corporate incorporation

2.5. Special Stock Corporations

SPORTS STOCK CORPORATIONS (SAD)

Since Law No. 17,292 of 2001, sports clubs, in addition to being able to opt for the legal form of a Civil Association, may adopt the legal form of a Sports Stock Corporation (SAD), and be subject to the applicable regulations to Stock Corporations regulated under Law No. 16,060, except for the special provisions that Law No. 17,292 (and its recent amendments) established for this type of special corporations¹⁴.

One of the main benefits for sports clubs opting to become a SAD is to be able to opt for a profit-making corporate form, which was not possible in the case of civil associations. Thus, shareholders may receive dividends for the economic activity carried out by the corporation or dispose of their shares. Furthermore, and with the purpose of promoting investment in sports and the development of sporting activities, these SADs also have -as is the case of non-profit Civil Associations- a broad tax exemption, since Article 82 of Law No. 17,292 provides that SADs whose sole purpose is to participate in official sporting competitions and the development of sporting activities shall be exempt from all national taxes.

The SAD abbreviation must be included in the corporate name and their sole corporate purpose must be the participation in official sports competitions and the development of sporting activities.

The incorporation process for SADs is the same as for other corporations with the distinction that they must be registered in the Registry of Sports Clubs of the Ministry of Sports and Youth within fifteen calendar days from the date of publication in the Official Gazette.

The corporation will be managed by a Management Committee composed of at least five and no more than fifteen members.

¹³ You can see the necessary requirements to carry out either procedure in the following [link](#).

¹⁴ Law 17,292 <https://www.impo.com.uy/bases/leyes/17292-2001>.

BENEFIT AND COLLECTIVE INTEREST CORPORATIONS (BIC, FOR ITS ACRONYM IN SPANISH)

Law No. 19,969, dated July 23, 2021, gave origin to Benefit and Collective Interest companies and trusts in Uruguay¹⁵.

First, it is noteworthy that these entities can be any legal type of commercial company or trust, although for the most part, Stock Corporations have chosen to become BIC entities.

The singularity of these entities is that their purpose includes "generating a positive social and environmental impact on the community", therefore existing companies require the reform of their bylaws to join this BIC regime.

In addition to meeting all the necessary requirements for a corporate bylaws reform¹⁶, corporations that apply for the BIC regime must comply with the following additional requirements:

- » Adding the expression Benefit or Collective Interest or the acronym BIC in its denomination is mandatory.
- » Include in its corporate purpose "to generate a positive social and environmental impact on the community", in the terms and conditions established by Law No. 19,969 and its regulations. The bylaws or articles of incorporation must include "the purpose of generating a positive and verifiable social and environmental impact, in addition to the requirements demanded by the particular applicable regulations."
- » Special majorities to modify the corporate purpose. Expressly establish in the articles of incorporation the requirement of a 75% (seventy-five percent) favorable vote of the capital of its shareholders for any amendment to the corporate purpose.

This Law established a control and transparency regime for BIC companies, setting forth the obligation to prepare an annual report evidencing the actions carried out by the entity to comply with the positive social and environmental impact.

It also stated that the report must be made publicly available and must be submitted within a maximum period of six months from the closing of each annual fiscal year of the entity, to the agency determined by the regulations.

¹⁵ Law 19,969 <https://www.impo.com.uy/bases/leyes/19969-2021>.

¹⁶ More information can be found in the N° 4 instruction manual provided by the AIN at <https://www.gub.uy/tramites/reforma-estatutos-sociedades-anonimas>.

3. LIMITED LIABILITY COMPANY (LLC)

The Limited Liability Company (LLC) has been the most common legal type used by small and medium-sized companies until the advent of the Simplified Joint Stock companies, where both legal forms, with their specific features, are viable options for this type of enterprise.

MAIN ASPECTS TO CONSIDER REGARDING AN LLC

Business Line	There are no operational limitations, with the exception of activities reserved for Stock Corporations (SA), e.g. financial and insurance activities.
Liability	The liability of the partners is limited to the amount of their capital contributions. There are two exceptions to this principle, in which the partners are liable for corporate debts: when debts arise from wages and debts arising from Corporate Income Tax (IRAE, for its acronym in Spanish).
Capital	No minimum or maximum capital requirements.
Personal commitment	Dissolution or continuation through heirs may be agreed upon in the event of death or incapacity of one of the partners.
Anonymity	The capital quotas are nominative and appear in the articles of incorporation.
Dividends	Dividends are distributed according to the provisions of the articles of incorporation. Criteria other than the proportion of capital contributed may be applied, provided it is not clearly disproportionate to the contributions. There is no obligation to distribute a minimum dividend.
Transfer	Free and limitless between partners , unless otherwise agreed or the majority regime is changed. Between third parties: if there are 5 or less partners, the transfer requires unanimity, while if there are more than 5, the approval of 75% of the partners is required.
Notice of Final Beneficiary	There is no requirement to file an Affidavit of Beneficial Ownership with the BCU, as long as the shares belong to individuals who are their beneficial owners.
Other	<ul style="list-style-type: none"> » May have 2 to 50 partners, who may be legal entities, with no nationality restrictions. » May remain in activity provisionally with only one partner.

3.1. Operation

ADMINISTRATION

The LLC is managed and represented by one or more persons, partners or not, designated in the articles of incorporation. The resolutions of the partners' meetings are adopted in general by partners having the absolute majority of the capital stock if there are less than 20 partners. If there are 20 or more partners, resolutions are generally adopted by a majority of the votes of the partners present, with one vote for each share of capital.

CAPITAL REQUIREMENTS

LLCs do not have minimum or maximum capital requirements. Upon the formation of the company by signing the articles of association, a minimum of 50% of the share capital must be contributed in cash, and/or 100% in the case of contributions in kind. The capital is divided into indivisible units of equal value that cannot be represented by negotiable instruments. For the transfer of the quotas, the articles of incorporation must be modified, following the same the procedure as for the original incorporation. The transfer of shares in general is unrestricted among the members of the LLC. The assignment of shares to third parties requires unanimous consent of partners in LLCs with less than 5 partners, and the consent of the remaining partners representing at least 75% of the share capital stock, if the LLC has more than 5 partners.

3.2. Controls

LLC are not subject to the control by the AIN.

3.3. How to set up an LLC?

Setting up an LLC in Uruguay requires following the standard procedure described below.

STANDARD PROCEDURE

The founding partners must sign a social contract which is registered in the National Commerce Registry (RNC), and an excerpt of which is published once in the Official Gazette and in another newspaper. This procedure lasts approximately one month, and activities may begin from the execution of the social contract, with the founders being jointly and unlimitedly liable for the obligations of the company until the culmination of procedures. The company must be registered with the DGI, the BPS and the MTSS and, if it has personnel, with the BSE.A. Celebración de asamblea

a. Holding an Assembly

Cost	Notary fees, 5% based on capital (the minimum fee to be charged for any professional intervention may in no event be less than 40 UR, i.e., approximately US\$ 1,638.85).
Duration of the procedure	1 business day.
Requirements	During the assembly, it must be established who are the parties; the denomination; the domicile; the purpose or activity to be carried out; the capital stock; the number and amount of the shares belonging to each partner and the value assigned to the contributions in kind; the way in which the profits will be distributed and the losses will be borne, the administration and representation system and, if applicable, the internal control system of the partnership; as well as the term of the partnership (no more than 30 years).

b. Registration in the National Commerce Registry

The establishment of a Limited Liability Company requires processing the company's registration with the Registry of Legal Entities - National Registry of Commerce (NRC), in order to fulfill part of the necessary requirements for the acquisition of the corporate type.

Cost	Registration Fee (US\$ 65)
Time frame for completion	30 calendar days from the date of the social contract
Duration of the Procedure	5 business days (legal term according to art. 64 of Law 16,871, however, in practice it may last from 15 to 20 working days).
Requirements	The first notarized certification of the Articles of Incorporation, granted either in a private document with notarized signatures or in the first copy of the public deed; Commercial company registration certificate (form approved by the DGR); Notarized certification or proof of the company's registration number in the Single Tax Registry (R.U.T., for its acronym in Spanish).

c. Publication of the Incorporation of a Limited Liability Company (LLC)

With the publication in the Official Gazette and in another newspaper of choice (distributed where the head office is located or in the same department), the company will be duly incorporated as a Limited Liability Company.

OFFICIAL GAZETTE AND OTHER NEWSPAPER	
Cost	US\$ 130 (Average price for standard social contract)
Time	2 business days
Requirements	Proof of Registration in the National Commerce Registry (RNC)

d. Single Window: DGI and BPS

Single Window is a service provided by the Social Security Institute (BPS) and the General Tax Directorate (DGI) that unifies the registration procedures (registrations, amendments, closures) for taxpayers. The DGI is an Executing Unit of the MEF and a tax and collection agency. The BPS is an autonomous entity of the Uruguayan government and the competent agency for the provision and coverage of social security.

The procedure can be carried out either in person or online through the BPS Online Services Portal. For the latter option, it is necessary for the taxpayer to have a registered address in Montevideo and a BPS web user account with an established electronic address.

Cost	Professional stamp
Time frame for completion	Within the next 24 hours after signing the contract
In-person processing requirements	Forms: 1) registration and update (No. 0351), 2) associated natural persons (No. 0352) or associated legal entities (No. 0353) - 3 double-sided copies; 3) affidavit of non-dependent workers (No. 205) - 2 copies. Access in DGI and BPS. Documentation to be submitted: 2 photocopies of all members' identity documents, original or authenticated copy of the corporate contract and simple photocopy of the social contract, notarized certificate (original and 3 simple photocopies), stating: signature of all partners, details of the members of the company, name of the administrators and representatives, legal personhood and full representation (including date of the contract), fiscal domicile.
Online processing requirements	Registered address in Montevideo. Access to the BPS online services platform. Three copies of Form 0380 with professional stamp (provided by BPS once the application is received).

e. State Insurance Bank (BSE)¹⁷

The State Insurance Bank (BSE, for its acronym in Spanish) is an autonomous entity of the Uruguayan government. Employers who have dependent personnel must apply for Occupational Accident and Disease Insurance before the entity¹⁸.

¹⁷ Source: BSE. For more information go to: <https://www.bse.com.uy/portal-comercial/seguros/seguro-adt-personales/> or send your query to the following e-mail: atenciondirecta@bse.com.uy.

¹⁸ Note: companies in the construction and rural sectors (except forestry and logging companies) are covered by the unified contribution to the BPS, so they will not have to obtain the policy directly from the BSE.

Cost	Free of charge
Time frame for completion	When hiring personnel
Duration of the procedure	1 business day
Requirements	Form No. 1990 - Application for Occupational Accident and Disease Insurance. The form is accessed through the website and then must be filed at any of the BSE branches.

f. Registration of a company with personnel

In compliance with the provisions of Decree No. 278/017 as of October 2017 the registries of the Ministry of Labor and Social Security (MTSS) and the BPS were merged creating a single registry called Unified Work Spreadsheet. Companies that contribute to the BPS must carry out the relevant procedure in the Affiliates Management System (GAFI) on the website of this entity. The registration must include the activity information required by this agency within the stipulated deadlines, as well as data on the working conditions of each employee.

When the company has its first employee, it must register the Labor Record Book at the MTSS citizen service center. This procedure is carried out on the spot.

Cost	Free of charge
Time frame for completion	10 days prior to admission or up to the date of admission ¹⁹
Requirements	Be registered in the BPS Online Services Portal. Labor Registration Book submitted to the MTOP.

Processing of the Labor Control Form will remain in force only for those who contribute to the Banking, Professional and Notarial Funds²⁰.

Cost	Free of charge
Time frame for completion	10 business days from the day after the company begins operations
Duration of the procedure	15 business days
Requirements	Original Registration Record with BPS and DGI, Labor Record Book, BPS Sheet (original or photocopy)

¹⁹ For rural and construction workers, the company has up to 72 hours and 48 working hours, respectively, after the date of entry and after the 10 preceding days have elapsed.

²⁰ This procedure is carried out through the "Venetus" system: <https://venetus.mtss.gub.uy/>.

4. SIMPLIFIED JOINT STOCK CORPORATION (SAS)

The simplified joint stock corporation is a type of commercial company created by Law No. 19,820²¹ of September 18, 2019, and regulated by Decree No. 399/019²² of December 23, 2019.

It typically has its capital represented by endorsable or non-endorsable nominative shares, or book-entry shares.

MAIN ASPECTS OF THE SAS TO CONSIDER

Business Line	No operating limitations of any kind, generally being able to develop any type of activity, except those reserved exclusively for S.A. (e.g. financial and banking intermediation activity, insurance, etc.). If no corporate purpose is declared, the SAS is assumed to carry out any lawful activity.
Liability	The liability of the investors, as shareholders, is limited to the amount of capital they have committed to contribute, with express exemption from liability for social obligations related to labor, tax or any other nature, unless the legal personhood of the entity (SAS) is declared unopposable.
Capital	There are no maximum or minimum capital limitations. The capital stock must be fully subscribed or paid in at the time of incorporation of the company, with a minimum of 10% of the capital stock being paid in if the contribution is in cash and 100% if it is in kind. The term for the total pay-in of capital cannot exceed 24 months.
Personal commitment	Because it is a capital company, the individuals are completely disassociated from the company.
Anonymity	The holders of nominative and book-entry shares must provide the company with their identification information to be passed on to the Central Bank of Uruguay, in a confidential manner.
Profits	The law does not impose the obligation to distribute a specific minimum dividend, so that the autonomy of the will and what the parties agree upon will govern, with the possibility of establishing in the bylaws the option of a different distribution to the shareholding percentage. If nothing is agreed upon, the provisions foreseen for Corporations will apply: they will be distributed proportionally to the capital contributed and there will be an obligation to distribute a minimum dividend to the shareholders of at least 20% of yearly net profits.

²¹ Available at: <https://www.impo.com.uy/bases/leyes-originales/19820-2019>.

²² Available at: <https://www.impo.com.uy/bases/decretos/399-2019>.

MAIN ASPECTS OF THE SAS TO CONSIDER

Transfer	Nominative shares must be endorsed, and their transfer must be communicated to the company for its annotation in the corresponding Nominative Shares Registry Book. For book entry shares, the company must be notified in order to register in the Entry Shares Registry Book. The new shareholders must provide the company with their personal information for identification purposes before the Central Bank of Uruguay.
Other	<p>The joint stock company may be incorporated with a single owner, who may be a natural person or a legal entity (but may not be a single corporation) or by several natural persons or legal entities without limit. After its incorporation, it may operate with a single S.A. (Corporation) as the owner.</p> <p>The investor may finance the SAS by means of loans under conditions similar to those of an independent third party.</p> <p>The SAS is forbidden from making a public offering of its shares, i.e., to resort to public savings to receive capital contributions.</p>

4.1. Operation

BOARD OF DIRECTORS OR ADMINISTRATOR

The board of directors is optional and may be led by individuals or legal entities, national or foreign, and may be domiciled inside or outside the country. If not provided for, the Administrator functions (management of the corporate business) are exercised by the legal representative.

Any appointment of director or directors by any act other than the articles of incorporation, termination or revocation must be registered with the National Commerce Registry.

SHAREHOLDERS' ASSEMBLY

Unless otherwise stipulated in the bylaws, the shareholders' assembly is convened by the legal representative of the company by means of a reliable communication to the shareholders with at least 10 business days' notice, including the agenda to be discussed. Assemblies may also be self-convened when all of the paid-in capital is present.

An assembly may also be held without prior notice, provided that shareholders representing all of the paid-in capital are present. In this case, any shareholder may oppose the discussion of a matter, in which case the resolutions adopted will be null and void. Generally, the quorum required to hold shareholders' assemblies is one half plus one of the shares entitled to vote, unless the bylaws establish a different quorum.

Shareholders' assemblies may generally decide by a majority of votes of present or proxy shareholders, whether of a singular or plural number of shareholders, unless the by-laws provide for a higher majority for some or all of the decisions. Law 19,820 provides the following exceptions to the principle that the Shareholders' Assembly decides by absolute majority of the votes of attending shareholders:

- » Amendments to bylaws and transformation of the SAS into another legal type provided for in the Corporate Enterprises Act: the affirmative vote of shareholders who represent the majority of the paid-in capital with voting rights is required.
- » Amendment of clauses establishing restrictions on the negotiation of shares, recess or exclusion of shareholders and corporate conflict resolution: a unanimous vote of 100% of the paid-in capital is required.

With the SAS, as is the case with Corporations, the possibility of holding meetings by video conference or by any other means of simultaneous communication is provided for.

CAPITAL REQUIREMENTS

The capital stock represented in shares must be expressed in local currency, as must the accounting records. If the functional currency of the SAS is different from the Uruguayan peso, the company must also keep its financial statements in its functional currency²³.

4.2. Controls

Normally, the SAS is not subject to the control of the National Internal Audit Office, unless at the end of the fiscal year its annual income exceeds 37,500,000 UIU (equivalent to approximately US\$ 5,634,236.9)²⁴. In this case, they will be automatically subject to audit 180 days after the end of the fiscal year.

The controls will be the same as for closed corporations, so that no operations will be supervised and only certain operations related to the evolution of the paid-in capital, namely: a) Capital integrations by new contributions, b) Reductions of paid-in capital, c) Redemption or amortization of shares, d) Capital reimbursement, e) Cases in which the right of recess is exercised, when this arises from any of the acts mentioned in the preceding paragraphs.

Regarding the incorporation and modification of the by-laws, this will continue to be within the orbit of the RNC without requiring the approval of the AIN.

4.3. How to set up an SAS?

The law provides for a digital incorporation procedure with advanced electronic signature or other authentication mechanism to carry out the process online, using the standard bylaws made available to users by the General Registry Directorate. Currently this form of incorporating an SAS is only available for cases in which the shareholders, administrators and representatives are exclusively natural persons²⁵.

²³ Decree N° 108/022 (impo.com.uy)

²⁴ Value of the UI = \$5.8557 as of December 1, 2023.

²⁵ To access the digital process, visit: <https://www.gub.uy/tramites/registro-sociedad-acciones-simplificada-sas-persona-fisica>.

When it is not possible to incorporate the SAS by digital means only, or if the user does not wish to use this method, the Regulatory Decree establishes a procedure for incorporation:

- » Homonymy control by the RNC.
- » The bylaws are issued in writing, in a public or private document, and are registered in the RNC within 30 days from the date of issuance.

Cost	Registration Fee (US\$ 65)
Time frame for completion:	30 calendar days from the date of constitution of the articles of incorporation
Duration of the procedure	Approximately 25 working days.
Requirements	Notarized copy of the Articles of Incorporation issued in private document with notarized authentication of signatures or the first copy of the public deed; Commercial company registration certificate (form approved by the DGR);

- » Within the same 30-day term, the company must go to DGI with the filing number assigned by the RNC, in order to apply for registration in the Single Tax Registry, where the term "under development" will be added.
- » DGI will communicate on a daily basis and by electronic means with the RNC the Single Tax Registry numbers that have been assigned to the SAS.
- » Finally, once the registration with the RNC is complete, the RNC will send the DGI (also on a daily basis and by electronic means) the list of the SAS that have been classified as permanent, in order to finalize the incorporation process.

When the registration with the RNC is finalized, the SAS is duly incorporated, without the need for any publication.

After the registration of the SAS in the RNC, the corporate books must be signed, and shares must be issued for those SAS with nominative shares.

By virtue of the provisions on beneficial owners and holders of shares of Law 19,484 applicable to the SAS, within 45 days of its incorporation and once the Single Tax Registry number is assigned, the BCU must be informed of the identification information of the shareholders. If these holders are non-resident natural persons or legal entities, the term is extended to 90 days.

5. BRANCH OF A FOREIGN COMPANY

Companies incorporated abroad may perform isolated acts in the country and appear in court, but in order to be able to carry out the activities foreseen in their corporate purpose they must register a branch in the country. The branch is the same foreign legal entity that registers to act in the country, complying with the required procedures.

Foreign companies wishing to register as branches must designate the person or persons who will manage or represent them.

MAIN ASPECTS OF BRANCHES OF FOREIGN COMPANIES TO CONSIDER	
Line of Business	Although it does not have operational limitations, it retains the line of business of the parent company.
Liability	The foreign parent company, whose equity is inseparable from that of the branch, is liable for the obligations of the branch.
Capital	The branch as such, insofar as it is not a legal entity different from the Parent company, will not have a separate equity from that of the Parent company. In any case, when the Parent Company decides to establish the branch in Uruguay, it must assign a capital, with no maximum or minimum provided for in Law 16,060.
Personal commitment, anonymity, profits	As the Branch is a Foreign Company, these aspects will depend on the system of the Parent Company.
Transfer	The requirements to be complied with for the transfer of the foreign company's shares are determined by the incorporation law of the company.
Other	The branch must keep separate accounting records in local currency and in Spanish.

An original copy of the by-laws of the foreign parent company and of the certificate of the appropriate body of the foreign parent company, resolving to establish a branch in Uruguay, must be registered in the RNC, indicating the name of the branch, the domicile, the capital assigned and the person or persons who will manage or represent it. The above-mentioned documents must be legalized and translated into Spanish if they were issued in another language. After the registration in the RNC, an extract of all the documentation is published in the Official Gazette and in another newspaper.

Registration must be carried out prior to the start of the company's activities. It must also be registered with the DGI, the BPS and the MTSS and, in the case of employing personnel, with the BSE.

REQUIRED DOCUMENTS WHEN SETTING UP A BRANCH OFFICE

RNC	Certified and legalized copies of the decision to establish the branch office and of the study carried out by the Head Office. The procedure can be carried out through the DGR website in the section on remote applications for registry information.
BPS and DGI	1) Contract for use of online services and BPS individual contract (online process) or Forms and other associated documentation (in-person process). 2) Unified work spreadsheet (if employing dependent personnel).
MTSS	1) Registration with the BPS and DGI. 2) Labor Record Book.
BSE	Occupational accident and disease insurance (if employing dependent personnel)

6. OTHER TYPES OF COMPANIES

The basic characteristics of other types of companies, which in practice are rarely used, are described below.

6.1. General Partnership (SC)

The General Partnership (SC, for its acronym in Spanish) is characterized by having its partners jointly and unlimitedly liable for the debts of the company, of which they are usually the administrators.

The administration and representation regime will be the one established in the corporate agreement, and in its absence, any of the partners may administer and represent the partnership.

For further information see Articles 199 to 211 of Law 16,060.²⁶

6.2. Limited Partnership (SCS)

Limited Partnerships (SCS, for its acronym in Spanish) are characterized by the existence of two types of partners: limited partners and general partners. General partners are liable for corporate obligations on a subsidiary, joint and several and unlimited basis. On the other hand, limited partners are liable only up to the amount of capital contributed.

The administration and representation of the company will be exercised by the general partners or, in their absence, by third parties designated for such purposes.

²⁶ Available at: <https://www.impo.com.uy/bases/leyes/16060-1989>

For further information see Articles 212 to 217 of Law 16,060²⁷

6.3. Partnership limited by shares

In a partnership limited by shares (SCA, for its acronym in Spanish), the limited capital is divided into shares. The general partners are liable for corporate obligations on a subsidiary, joint and several and unlimited basis, and the limited partners are liable only up to the amount of capital contributed.

The administration and representation will be carried out by one or more administrators or by a Board of Directors as provided in the articles of incorporation. The administrators or directors may be general partners, or third parties designated by them or in the articles of incorporation.

For further information see articles 474 to 482 of Law 16,060.²⁸

6.4. Capital and Industry Partnership

In the Capital and Industry Companies (SCI, for its acronym in Spanish) the capitalist partners are liable for the corporate obligations, while those who exclusively contribute their industry or work are liable up to the amount of the unearned profits that they are entitled to.

Management and representation may be exercised by any of the capital partners.

For further information see articles 218 to 222 of Law 16,060.²⁹

6.5. De Facto partnerships

The de facto partnerships (SH, for its acronym in Spanish) are those that lack a written corporate contract. The partners are jointly and severally liable for the corporate debts and any of them can represent the company.

For further information see articles 36 to 43 of Law 16,060.³⁰

6.6. How to set up these types of companies?

The constitution procedure of these types of companies -except for the de facto company where there is no written corporate contract- is similar to that of the LLC, and no publication is required.

27 Available at: <https://www.impo.com.uy/bases/leyes/16060-1989>

28 Available at: <https://www.impo.com.uy/bases/leyes/16060-1989>

29 Available at: <https://www.impo.com.uy/bases/leyes/16060-1989>

30 Available at: <https://www.impo.com.uy/bases/leyes/16060-1989>

REQUIRED DOCUMENTATION WHEN ESTABLISHING THESE TYPES OF PARTNERSHIPS

RNC	Corporate agreement with notarized certification, except for de facto corporations. Legal books. The procedure can be carried out through the DGR website in the remote applications section of the registry information.
BPS and DGI	1) Contract for use of online services and BPS individual contract (online process) or Forms and other associated documentation (in-person process). 2) Unified work spreadsheet (if employing dependent personnel).
MTSS	1) Registration with the BPS and DGI. 2) Labor Record Book.
BSE	Occupational accident and disease insurance (if employing dependent personnel)

7. COOPERATIVES³¹

Cooperatives are autonomous associations of persons who voluntarily join together on the basis of their own efforts and mutual aid, to satisfy their common economic, social and cultural needs, by means of a jointly owned and democratically managed enterprise.

Without detriment to the general regulations, there are special rules for agricultural, housing, savings and credit, production and consumption cooperatives.

MAIN ASPECTS OF COOPERATIVES TO CONSIDER

Line of Business	No tiene limitaciones operativas, aunque deben tener exclusivamente fines cooperativos.
Liability	La responsabilidad de los socios está limitada al monto de los aportes de capital.
Capital	El capital aumenta o disminuye en función del ingreso o retiro de los socios. No existe ni tope máximo ni tope mínimo de capital.
Personal commitment	Unlike other types of companies, there is an "open-door" system, whereby members may join or leave the cooperative whenever they deem it convenient. Each member is entitled to one vote, regardless of the number of quotas or shares held. In the event of dissolution, the member receives as a refund only the amount of the contribution paid in. The bylaws must determine the use to be given to the remainder of the company's assets.

³¹ Access to Law No. 18,407 (<https://www.impo.com.uy/>).

Profits	A 15% reserve fund will be set aside until it equals the capital, reducing to 10% thereafter and ceasing when the capital is tripled. The amount to be distributed among the partners shall not be less than 50% of the remainder. For first degree cooperatives, the profits obtained are distributed according to the work or the number of operations carried out by each member; second degree cooperatives distribute their profits in proportion to the capital stock contributed or the services used.
Anonymity, transfer	The shares are nominative and indivisible and may not be transferred except to persons who meet the requirements of the bylaws to be members and with the approval of the Governing Council. It is not authorized to be represented by negotiable securities. The transfer of a quota is carried out by means of the assignment of non-endorsable credits.
Other	The main or accessory purpose of the organization may not be the propaganda of ideas. It is prohibited that the bylaws establish as a condition for admission to the cooperative the connection of the applicants with religious or ethnic organizations, specific nationalities, political parties, etc. The contract must be registered in the Public Registry and the General Commerce Registry. In all cases it is necessary to obtain authorization from the government.

The registration must be carried out before the AIN and can be done in person (by appointment) or online through the AIN's web site.

Cost	Free of charge
Time frame for completion:	60 calendar days from the date of obtaining the legal status.
Requirements for the in-person procedure	1) Application form with text validating the use of electronic mail (signed by the legal representatives of the Cooperative) 2) Bylaws with proof of final registration with the Registry of Legal Entities
Online procedure requirements	Bylaws with proof of final registration with the Registry of Legal Entities (PDF format)

7.1. Controls

Cooperatives are subject to the control by the National Internal Audit Office as regards to the registration, merger, absorption, spin-off, dissolution and liquidation of said organizations. When requested, cooperatives must show the corporate and accounting books, communicate the amendments in the formation of the corporate bodies and notify the calls for assemblies before they are held.

8. SOLE PROPRIETORSHIP³²

The entrepreneurial undertaking may be carried out individually, without establishing a company. This is the case of the sole proprietorships, which do not have legal personality. The owner of the company is personally and unlimitedly liable for its obligations.

MAIN ASPECTS OF SOLE PROPRIETORSHIPS TO CONSIDER

Line of Business	There are no operational limitations, except for carrying out activities that require a specific legal status.
Liability	The sole proprietor is personally and unlimitedly liable for the obligations acquired within the framework of the activity of the sole proprietorship.
Capital	No capital involved.
Personal commitment, anonymity, profits	There is a full identity between the person and the company, with the person being the owner of the company and its profits.
Transfer	The ownership of the sole proprietorship cannot be transferred; the assets and liabilities of the company must be transferred.

The sole proprietorship does not require an incorporation procedure, it must only comply with tax obligations, and must be registered with the DGI, BPS, MTSS and, in the event of employment of personnel, with the BSE.

The procedure can be carried out in person at the BPS-DGI single window (with prior appointment) or through the online services portal of the BPS³³.

Cost	Professional seals
Time frame for completion:	Within 10 calendar days prior to the start of activities or on the day of the start of activities.
Requirements for online procedure	1) An address constituted in Montevideo and industry and commerce activity. 2) Contract for the use of online services with BPS. 3) Form provided by BPS via email once the application is received.
Documents to submit	1) Forms with professional seal: registration and update (N°0351) - 3 copies, declaration of estimated salaries (N° 205) - 2 copies 2) Identity card of the holder (and 2 photocopies), notarized certificate (and 2 photocopies) stating: signature of the holder, fiscal address and details of the holder ³⁴ .

³² Source: DGI and BPS. For more information visit the following [link](#).

³³ This method is only available for those taxpayers who have not previously registered as taxpayers with the DGI.

³⁴ Holder's information: full name, identity number, marital status, nationality, legal capacity and home address.

9. CONSORTIUMS AND ECONOMIC INTEREST GROUPS

MAIN ASPECTS OF THE CONSORTIUMS AND ECONOMIC INTEREST GROUPS TO CONSIDER

Line of Business	May not deviate from the specific purpose for which they were created.
Liability	In Consortiums, each member is responsible for their own obligations, without joint and several liability, unless otherwise agreed. In Economic Interest Groups the members are jointly and severally liable.
Capital	There is no minimum or maximum amount of capital.
Personal commitment, anonymity, profits, transfer	They are directly associated with their members and are not intended to obtain and distribute profits.

9.1. Consortiums

They are established by means of a contract between two or more individuals or legal entities (usually between two or more corporations), either domestic or foreign, which are temporarily bound to perform a work, render a service, or supply certain goods, with each of the members being liable for the obligations they have undertaken, without joint and several liability, unless otherwise agreed. It is not intended to obtain and distribute profits, but to regulate the activities of the parties. They do not have legal personality.

The contract, which must contain certain provisions established by Law 16,060 (name, purpose, duration, domicile, definition that each contracting party will have in the business, obligations and liabilities of each party, management rules, representation of the members, control of the consortium, forms of deliberation, conditions for admission of new members, causes for exclusion, rules for assignment of shares, contribution to expenses and penalties for non-compliance), is registered in the National Commerce Registry and an extract is published in the Official Gazette and in another newspaper.

A significant point about consortiums is that if they do not strictly comply with the substantial and formal requirements established by the corporate law to be considered consortiums, for example, if their purpose is to obtain and distribute profits among their members, they are considered as "atypical consortiums" and must register with the tax authorities as irregular partnerships, which entails legal and fiscal implications.

9.2. Export Consortiums

Under Law No. 18,323, an export consortium was created as a contract between two or more individuals or legal entities, by which they will be bound for the contractual term for the performance of activities related to the commercialization of goods or services abroad. The main purpose of these consortiums is to facilitate and promote the export of goods or services produced by their members. The production of the goods to be exported may be individual or joint by the members of the Export Consortium, with special consideration to the productive collaboration among the members of the Export Consortium and/or third parties³⁵.

9.3. Economic Interest Groups

They are established by contract between two or more individuals or legal entities, with the purpose of facilitating or developing the economic activity of its members or improving or increasing the results of such activity. By itself, the Economic Interest Group (GIE, for its acronym in Spanish) does not give rise to the obtaining or distribution of profits among its members and may be established without capital. They have legal personality.

GIEs are constituted by means of a contract that is registered in the National Commerce Registry. The purpose, method of administration and other characteristics may be freely agreed upon by the parties.

If the GIE generates income, it will be taxed with IRAE.

The Joint Venture (JV) is not foreseen as a specific form of association, so in principle it may adopt any of the corporate forms considered above. However, in order to easily operate a JV, a GIE can be constituted.

For more information see articles 489 to 500 of Law 16,060³⁶.

³⁵ For further information visit <https://www.impo.com.uy/bases/leyes/18323-2008/16>.

³⁶ Available at: <https://www.impo.com.uy/bases/leyes/16060-1989>.

10. SPECIAL ACTIVITIES

10.1. Financial brokerage activities

There are certain activities that have special regimes and will therefore be subject to greater governmental controls.

Thus, companies wishing to engage in financial brokerage activities will be regulated by Decree-Law No. 15,322³⁷, as well as by the regulations and rules issued by the BCU.

Financial brokerage is the regular and professional performance of intermediary operations or mediation between the supply and demand of securities, money or precious metals.

The following are financial brokerage companies supervised by the BCU: Banks, Investment Banks, Financial Institutions, External Financial Institutions, Financial Brokerage Cooperatives and Savings Group Administrators.

These companies will require prior authorization from the BCU in order to operate, as well as its authorization in order to be established. For such authorization, as well as for the aforementioned approval, reasons of legality, opportunity and convenience shall be taken into account. The actions must be well-founded, and the solvency, rectitude and aptitude of the applicant company will be especially appreciated.

External Financial Institutions (EFI) are entities that exclusively carry out brokerage operations between the supply and demand of securities, money or valuable metals located outside the country (commonly called "offshore" banking activity). These EFIs may only operate with non-resident clients and require prior authorization to do so (also for reasons of legality, opportunity and convenience) by the Executive Branch with a prior favorable report from the BCU. Additionally, they require authorization by the Superintendence of Financial Services (SFS - belonging to the BCU) to start operating in the financial system.

10.2. Financial Activities

There are other entities that, without being financial brokerage institutions, provide on a regular and professional basis exchange services, fund transfers, payments and collections, safe deposit box rental, credits and other similar services.

They are considered Financial Services Companies and require authorization from the SFS to operate, for reasons of legality, opportunity and convenience.

The authorization of these companies also implies their inclusion in the Registry of Supervised Institutions, since these companies are subject to a series of systematic and periodical supervision procedures, and while the entity is in operation it will be under the supervision of this Superintendency, which belongs to the BCU.

37 Available at: <https://www.impo.com.uy/bases/decretos-ley/15322-1982>.

10.3. Insurance Activities

In addition to the activities mentioned above, there are other special activities such as the Insurance and Reinsurance activity, which is also subject to prior authorization and licensing by the SSF in order to operate in Uruguay.

Insurance Companies are legal entities that are obliged, through the collection of a premium, to indemnify, within the agreed limits, the damage caused to the insured, or to satisfy a capital, rent or other benefits agreed in the insurance contract, provided that the event whose risk is the object of coverage occurs.

These companies with insurance or reinsurance activity will be supervised by the SSF, mainly to preserve their stability and solvency. They will require prior authorization from the SSF to perform certain acts, such as the transfer of shares and issuance with changes in shareholding, bylaw amendments, mergers and transformations, capital contributions and share issuance, changes in the chain of control, among others.

10.4. Other Activities

There are companies that require special permits from the competent authorities of certain sectors in order to operate properly. For example:

- » Manufacturing or importing companies and warehouses of Food, Cosmetics and Cleaning products (general cleaning items, pesticides, bactericides and disinfectants) must be licensed and registered by the Ministry of Public Health (MSP, for its acronym in Spanish) to operate in the market³⁸. The Resolution issued by the MSP authorizing the operation of these companies is valid for 5 years, after expiration of which the application for authorization must be reiterated.
- » In order to carry out certain activities (industrialization, import, fractioning, storage, distribution or commercialization of food), food companies must request authorization from the Food Regulation sector of the Departmental Municipalities³⁹.
- » Fishing and aquaculture activities are regulated by Law No. 19,175 and Regulatory Decree No 115/018. In order to carry out this activity, a permit granted by the Ministry of Livestock, Agriculture and Fisheries (MGAP for its acronym in Spanish) must be obtained, which may only be requested after approval by the National Directorate of Aquatic Resources (DINARA for its acronym in Spanish)⁴⁰.

38 For further information visit: <https://www.gub.uy/tramites/habilitacion-registro-empresas-alimentos-cosmeticos-domisanitarios>.

39 For further information visit: <https://montevideo.gub.uy/tramites-y-tributos/habilitacion/bromatologica-de-empresas-alimentarias>.

40 For further information go to: <https://bpmgob.mgap.gub.uy/tramites/disponibles>.

11. COMPARISON BETWEEN TYPES OF COMPANIES

The following table compares the four most commonly used forms of companies, as explained in point 5 of this guide:

COMPARISON OF THE MOST USED TYPES OF COMPANIES

	Corporation (SA)	LLC	SAS
Incorporation	Bylaws + AIN (30 days) + RNC (30 days) + publications (60 days)	Articles of Incorporation + RNC (30 days) + publications (60 days)	Bylaws + RNC (30 days)
Commercial Activity	There are no restrictions, but certain drafts can only use specific types of shares (e.g. insurance - nominative shares).	They cannot carry out activities reserved for corporations.	Any lawful commercial or civil activity, except those reserved for S.A.'s.
Number of partners	A minimum of two shareholders is required for incorporation. Once incorporated, they can remain with only one shareholder.	Between 2 and 50 partners.	One or more shareholders.
Capital	Represented in shares. These may be registered, book-entry or bearer shares.	Divided into social quotas. Cannot be represented in securities.	Represented in shares. These may be nominative or book-entry shares.
Transfer of corporate participations (shares or quotas)	As a rule, it is unrestricted. Depending on the type of shares, the transfer mechanism varies.	Between partners: it is unrestricted, unless otherwise agreed or the majorities change. Between third parties there are restrictions.	As a rule, it is unrestricted. The restriction and prohibition to negotiate the shares can be agreed upon.
Shareholder and partner liability	They are not liable for corporate debts, unless the legal personality is declared unenforceable.	They are not liable for civil and commercial debts; they are liable for salary debts and joint and several liability for IRAE is established.	They are not liable for corporate debts, unless the legal personality is declared unenforceable.
Administrator liability	They are not liable for civil and commercial debts; they are liable for salary debts and joint and several liability is established for the IRAE.	They are not liable for civil, commercial and labor debts, but may be liable for tax debts	They are not liable for civil, commercial and labor debts, but may be liable for tax debts



WHO WE ARE

We are the agency responsible for the promotion of exports, investment, and country brand. We work to enhance the export capacity and competitiveness of Uruguayan companies, promote the country as an attractive destination for productive investments, and promote the country brand Uruguay in the world.

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



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OUR SERVICES FOR INVESTORS

Macro and sectorial information. Periodically, Uruguay XXI prepares reports on Uruguay and the various sectors of the economy.

Tailor-made information. We prepare personalized information to answer your specific inquiries, such as macroeconomic data, labor market information, tax and legal aspects, investment incentive programs, location, and costs.

Contact with the main actors. We generate contacts with government entities, industrial actors, financial institutions, R&D centers, and potential partners, among others.

Promotion. We promote investment opportunities in strategic events, missions, and business rounds.

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

Support in establishment and expansion. We facilitate your establishment in the country and support you to achieve the growth of your business in Uruguay.

INVESTOR'S GUIDE



Uruguay XXI

INVESTMENT, EXPORT AND COUNTRY
BRAND PROMOTION AGENCY



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