

COUNTRY PROFILE



Uruguay

Tax overview

Corporate Income Tax	25%
Personal Income Tax	36%, progr.
Gift Tax	None
Inheritance Tax	None
Wealth Tax	0.1 - 1.5%

Territorial Tax Regime

Uruguay applies the tax principle of territoriality. Income tax is levied on Uruguayan source income only.

Corporate Income Tax

Corporations incorporated in Uruguay are subject to tax on Uruguay source income at a rate of 25%.

Personal Income Tax

Residents of Uruguay are subject to tax on Uruguay source income only at progressive rates with a maximum of 36%. Foreign sourced income from passive financial investments is subject to tax. Uruguay does not impose gift or inheritance tax, but does impose wealth tax.

Anti-Avoidance Rules

Uruguay has no General Anti-Avoidance Rules. Uruguay has Transfer Pricing rules that follow the OECD guidelines, and require transactions between Uruguay residents and related parties, and between Uruguay residents and residents of Low-Tax Jurisdictions (LTJs), to be conducted at arms-length. Uruguay has no Thin Capitalization rules. Uruguay does not have Controlled Foreign Corporation (CFC) rules.

Fiscal Transparency Rules

Under the Fiscal Transparency law (2017), individual residents of Uruguay that own interests in foreign entities (including trusts) with passive income that are resident in LTJs (less than 12% tax rate), and that have

no DTTs with exchange of information provisions or TIEAs in effect with Uruguay, are subject to tax on the undistributed profits of the CFC.

Low Tax Jurisdictions-“Black-List”

Cook Islands, Liberia, US Virgin Islands, Saint Maarten, Puerto Rico, Honduras, among others.

Double Tax Treaties (DTTs)

DTTs include Germany, Liechtenstein, Luxembourg, Malta, Singapore, Spain, Switzerland the UAE, and the United Kingdom.

Tax Information Exchange Agreements

TIEAs include Argentina, Australia, Canada, Chile, Denmark, France, Guernsey, Netherlands, Norway, South Africa, Sweden, and the United Kingdom.

OECD Multilateral Convention

Uruguay is a signatory to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The Convention requires signatories to exchange information “on request,” and authorizes spontaneous and automatic exchange.

Common Reporting Standard (CRS)

Uruguay has adopted CRS for the automatic exchange of account information, is a signatory to the Multilateral Competent Authority Agreement (MCAA), and has a number of activated exchange relationships.

FATCA

Uruguay has not executed a FATCA Intergovernmental Agreement (IGA) with the United States, and there is no “agreement in substance” for FATCA implementation.

Notice

CISA Trust is not a legal or tax advisor and this material is for information only and is not advice.