

## 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.

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