

WHY INVEST IN URUGUAY?

Uruguay's positioning in Latin America:

#1 in Democracy Index

1 In lowest perception of corruption

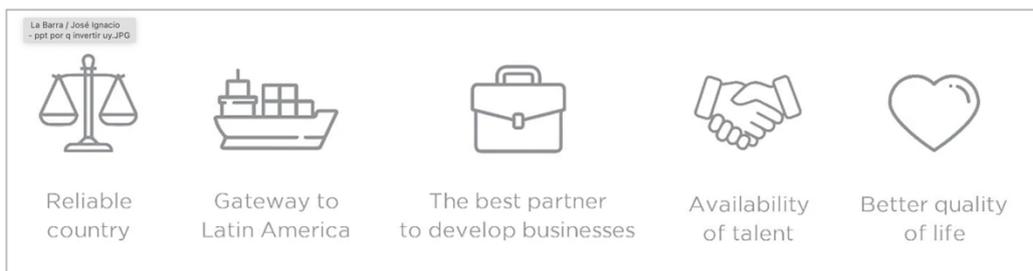
1 In index of Individual freedom

1 in Rule of Law

1 In social mobility

#1 in International transparency

16 consecutive years of GDP growth



BENEFITS OF URUGUAY

- Uruguay has a favorable business climate, great social stability, legal security, with tax incentives for investors and a strong corporate responsibility.
- The country has passed numerous laws and regulations that make the decision to conduct business in Uruguay attractive.
- Its investment promotion laws guarantee equal treatment for national and foreign investments and also grant important tax and import duties exemptions to investors under investment promotion schemes.
- There is no restriction for: expatriation of profits, use of foreign capital in companies. Free exchange market, export incentives and a single national tax regime.
- Uruguay has a financial system with free movement of capital, there are no restrictive requirements or regulations for the circulation of foreign currency within the country.
- It is recognized for its intentions to attract foreign capital and investment. Its continuous and sustained growth during the last 16 years has given the country an investment grade according to international standards.
- Uruguay stands out for its legal security and has been rated as the most democratic, reliable and stable country in social and political matters in Latin America.

TAX TREATMENT OF INCOME

- Uruguay only taxes Uruguayans or residents on income generated by activities carried out in the country, assets located and rights exercised economically in the national fiscal territory with certain exceptions, such as interests on deposits or loans located abroad.
- Non-Resident Income Tax (IRNR): This tax is levied on income generated in Uruguay by non-residents. The aliquot will vary depending on the activity originating such income. (Example: interest on deposits: 3% -5%; dividend distributions 7%; rentals 10.5%; other 12%).

BENEFITS FOR TAX RESIDENTS

- Current regulations provide that an individual who acquires the status of Uruguayan tax resident may choose not to pay Personal Income Tax (IRPF) for the income from movable capital originated abroad (interests and dividends) for the fiscal year in which they are granted fiscal residence in our country and during the following 10 years or of 7% for perpetuity.
- Residency can be easily obtained with a combination of investment starting from 530.000 USD approx. and 60 days of residence.



A **new law passed in 2020** reinforces the existing benefits for tax residents by granting them the possibility, as of fiscal year 2020, to choose to pay taxes in one of the following ways:

1. The option of not paying personal income tax on movable asset yields located abroad for the year in which the change of tax residence takes place and for the following 10 years.
2. The option to pay personal income tax on movable asset yields located abroad from the fiscal year in which the tax residence is acquired, and indefinitely, at the rate of 7%. It should be remembered that the general IRPF rate for this type of income is 12%.

REQUIREMENTS TO OBTAIN TAX RESIDENCY IN URUGUAY

- To spend more than 183 days of a calendar year in the Country - sporadic travels or absences of less than 30 consecutive days are not computed.
- To establish in Uruguay the principal nucleus or the basis of the prospective tax resident's activities or of his economic and vital interests (such terms are specially defined by the law).
- To make a real estate investment of a value of at least approximately 470.000 dollars after July 1, 2020 and reside in the Country for not less than 60 days in a fiscal year.
- To directly or indirectly hold an interest in a company representing a value of not less than 1.6 million US dollars approximately which generates at least 15 new full time jobs as from July 1, 2020.



Uruguay: a destination to invest.

The important growth of the country over the last decade is linked to the significant increase of investment. In Uruguay, Foreign Direct Investment (FDI) has reached record levels, and has positioned the country among the main recipients of FDI, in terms of GDP in South America.

WHAT ELSE MAKES URUGUAY SO SPECIAL?

- It is a country where trust still counts and its population is well educated and friendly towards foreigners.
- It has proven to be a stable and trustworthy country, where contracts are scrupulously observed with an independent judiciary system and a legislation which does not discriminate between Uruguayans and foreigners.
- In a world rife with terrorist threats, racial and political tensions it offers a safe heaven of peace and security.
- Uruguay is committed to a scrupulous care of the environment and to the protection of its natural resources.