

Jurisdiction's name:	Uruguay
-----------------------------	----------------

Information on Residency for tax purposes
--

Section I – Criteria for Individuals to be considered a tax resident

The criterion for Individuals to be considered Tax residents in Uruguay is set forth in article 14, Section 4 (for IRAE taxes); article 6, Section 7 (IRPF taxes) and article 7, Section 8 (IRNR) of the Ordered Text of 1996. Said articles were enforced by article 2 bis of Decree 150/007, article 5 bis of Decree 148/007 and article 14 bis of Decree 149/007 respectively.

It is understood that a physical person has residency in the Uruguayan territory when any of the following is fulfilled:

- That the person stays more than 183 days during the civil year in Uruguayan territory. In order to determine this period in the Uruguayan territory, sporadic absences will be taken into account, unless the tax payer provides fiscal residence in another country.
- That the principal nucleus of the person's activities or economic interests or vital ones is located in the national territory.

In order to determine the period of stay of physical persons in the Uruguayan territory, all days on which the physical presence of the person is proved in the country will be taken into account, regardless of the entrance or exit time. Days on which persons are in transit in Uruguay in between countries during a trip are not to be considered.

Absences from the Uruguayan territory are to be considered sporadic provided they do not exceed thirty calendar days, unless the tax payer declares and proves fiscal residence in another country. Fiscal residence in another country is to be proved exclusively by a certificate of residency issued by the competent fiscal authority of the corresponding State.

On the other hand, it will be understood, unless evidence to the contrary, that the tax payer's vital interests are in the national territory when the tax payer's spouse and minor children dependent on the tax payer reside in the Republic, provided the spouse is not legally separated (article 154 and following of the Civil Code) and the children are under parental authority. In case there are no children, the presence of the spouse shall suffice.

It will be understood that the principal nucleus of the person's activities or economic interests or vital ones is located in the national territory when the revenues they generate in the country are greater than in any other country. However, the principal nucleus of the person's activities or economic interests or vital ones shall not be the income arising from pure capital gains, even when the whole of the person's assets are located in the Republic.

Likewise, persons with Uruguayan nationality are considered to have fiscal residence in the national territory when:

1. They are members of Uruguayan diplomatic missions, and that covers the chief of the mission as well as the members of the diplomatic, administrative, technical or services staff of the same.
2. They are members of Uruguayan consular offices, and that covers the head of the office as well as service staff or personnel, with the exception of honorary vice consuls or honorary consular agents and their staff.
3. They are holders of official positions of the Uruguayan State such as members of permanent

delegations and representations accredited before international organizations or who are part of delegations or missions of observers abroad.

4. They are active members of staff with an official position abroad who do not have a diplomatic or consular nature.

When the application of specific regulations derived from international treaties which Uruguay is a part of shall not apply, non residents, under reciprocity, shall be those foreign nationals whose regular residence is in the national territory, when this circumstance is a consequence of any of the conditions established before.

The General Taxation Office shall be the competent authority to issue the certificates proving fiscal residency in the Uruguayan territory.

Relevant legal provisions and regulations can be found at the General Taxation Office website: In Spanish: <http://www.dgi.gub.uy/wdgi/page?2,principal,TextoOrdenadoVigente,O,es,0>.

Section II – Criteria for Entities to be considered a tax resident

The criterion for legal entities to be considered Tax residents in Uruguay is set forth in article 13, Section 4 (for IRAE taxes); article 6, Section 7 (IRPF taxes) and article 8, Section 8 (IRNR) of the Ordered Text of 1996. Said articles were enforced by article 2 ter of Decree 150/007, article 5 ter of Decree 148/007 and article 14 ter of Decree 149/007 respectively.

It is understood that a legal entity has residence in the Uruguayan territory when the entity has been set up as per national laws.

Foreign legal entities and other legal persons that have not been set up as per the national laws and regulations, which set up their domicile in the country, shall be considered residents in the national territory ever since the due set up proceedings established by the rules and regulations in force have been finished.

Likewise, legal entities and other legal persons set up as per the national laws and regulations shall cease to be considered as such when do not have any kind of domicile in the country and they have completed all the legal proceedings corresponding to the transfer of their domicile abroad.

Relevant legal provisions and regulations can be found at the General Taxation Office website: In Spanish: <http://www.dgi.gub.uy/wdgi/page?2,principal,TextoOrdenadoVigente,O,es,0>.

Section III – Entity types that are as a rule not considered tax residents

Section IV – Contact point for further information

Cra. Marcia Grostein
mgrostein@dgi.gub.uy
Tel.: +598 2 1344 int 6233
and
Dr. Guillermo Nieves
gnieves@dgi.gub.uy
Tel.: +598 2 401 74 63