

Uruguay's Free Trade Zones

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Uruguay offers Offshore Companies:

- Known as *Sociedades Anónimas*, SAs, whose foreign assets, and income generated abroad, are untaxed

And it also offers Free Trade Zones:

- Geographic areas in which companies have local operations, and are exempted them from all taxes, even import duties

Uruguay's Free Trade Zones

- Free Trade Zones (FTZs) are specific geographic areas with a special regulatory status: Companies that operate within them face no taxation
- Uruguay has a dozen FTZs to choose from, in different parts of the country (near airports, ports, inland, or in Montevideo's business district)

Are there any special requirements?

- The only requirement that a FTZ user company has, is that 75% of its workforce must be Uruguayan nationals (although exceptions can be obtained, lowering the requirement)
- The company's directors/principals do not need to be Uruguayan nationals

The Key Advantage of FTZs

- When a company establishes itself in a FTZ, it faces no Uruguayan taxes, except social security taxes on its employees (like any employer).
- Thus, the company will not pay:
 - Import taxes or duties
 - Corporate Income Tax (IRAE)
 - Dividends distribution tax
 - Net Worth Tax (IP)
 - Value Added Tax (VAT) on goods or services

Types of Possible Activities in FTZs

- Companies established in a FTZ can engage in any type of commercial or industrial activity.
- Thus, companies may:
 - Have logistics, merchandise handling and storage operations
 - Sell services, globally (including financial services, insurance and professional services)
 - Manufacture goods

Examples of Operations in FTZs

- Some common uses of Uruguay's FTZs, and global companies that operate in the FTZs:
 - **Financial services:** Merrill Lynch, RBC, BBVA, Citigroup, Raymond James
 - **Call Centers:** Sabre, RCI
 - **IT:** Tata Consulting Services, Veriphone
 - **Distribution:** Epson, Ricoh, Lexmark, Sony, SKF

Setting up a FTZ Company

- Simple, clear, process:
 - The Company chooses the FTZ which best fits its needs in terms of infrastructure, location, etc.
 - Incorporate a fully-owned local vehicle (SA or SRL) to operate as the FTZ user
 - Sign the user/lease agreement
 - Submit a memorandum explaining the company's intended activity and operations, which the Finance Ministry approves

The local vehicle

- Companies may choose a shares corporation (SA) or an LLC (SRL)
- SAs offer simplicity and flexibility:
 - Shares may be bearer or nominative
 - No minimum capital requirement
 - It does not require more than one director or shareholder
 - Directors may be non-Uruguayan
 - Presence of directors and shareholders is not required in Uruguay

Uruguay's Other Advantages: the Business Environment

- Uruguay offers a business-friendly environment
- Free inflow and outflow of capital and repatriation of profits
- Open financial system, with no capital controls
- Free exchange and use of foreign currency
- Solid banking system

Our Services

- Incorporating the Uruguayan FTZ vehicle
- Providing the company's annual maintenance, tax and accounting services
- Introducing to and advising on the different FTZs available in Uruguay
- Legal services in general, including the set-up of the contract for FTZ user status, and drafting of the Memorandum submitted to the Ministry of Finance

Fischer & Schickendantz: Who We Are

- Full-Service Law Firm

- Clients: mostly foreign companies and individuals

- Staff:

- Bilingual

- Attorneys, Accountants, Tax Advisors, Notaries

- Services:

- Legal advice

- Legal Assistance in the Purchase Process

- Tax, Accounting Services

- Company Incorporation

Our Contact Information

- Main office: Rincón 487, Piso 4, Montevideo, Uruguay
- References:
 - World Bank (www.doingbusiness.org)
 - Global law firms: Mayer, Brown, Rowe & Maw; White & Case;
 - Member Transatlantic Law International (www.transatlanticlaw.com)
- Contact:
 - info@fs.com.uy
 - Phone: (598) 2 915 7468
 - www.fs.com.uy