

Uruguay

Uruguay has met all aspects of the terms of reference (OECD, 2017_[3]) (ToR) for the calendar year 2019 (year in review) and no recommendations are made.

Uruguay can legally issue one type of rulings within the scope of the transparency framework.

In practice, Uruguay issued rulings within the scope of the transparency framework as follows:

- One past ruling; and
- no future rulings.

Peer input was received from one jurisdiction in respect of the exchanges of information on rulings received from Uruguay. The input was positive, noting that information was complete, in a correct format and received in a timely manner.

A. The information gathering process

1140. Uruguay can legally issue the following type of ruling within the scope of the transparency framework: cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles

1141. For Uruguay, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2016 but before 1 April 2018; or (ii) on or after 1 January 2014 but before 1 January 2016, provided they were still in effect as at 1 January 2016. Future rulings are any tax rulings within scope that are issued on or after 1 April 2018.

1142. In the prior year's peer review report, it was determined that Uruguay's undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Uruguay's review and supervision mechanism was sufficient to meet the minimum standard. Uruguay's implementation remains unchanged, and therefore continues to meet the minimum standard.

1143. Uruguay has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information

1144. In the prior year's peer review report, it was determined that Uruguay's process for the completion and exchange of templates were sufficient to meet the minimum standard. With respect to past rulings, no further action was required. Uruguay's implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

1145. Uruguay has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) ("the Convention") and (ii) bilateral agreements in force with 20 jurisdictions.¹

1146. As Uruguay did not issue any rulings in scope of the transparency framework in the relevant period, Uruguay was not required to exchange any information on rulings in the year in review and no data on the timeliness of exchanges can be reported.

1147. Uruguay has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Uruguay has met all of the ToR for the exchange of information process and no recommendations are made.

C. Statistics (ToR IV)

1148. As there was no information on rulings exchanged by Uruguay for the year in review, no statistics can be reported.

D. Matters related to intellectual property regimes (ToR I.4.1.3)

1149. In the year of review, Uruguay offered three intellectual property regimes (IP regime).² However, these are not subject to the transparency requirements under the Action 5 Report (OECD, 2015^[1]), because:

- **New entrants benefitting from the grandfathered IP regime:** not applicable for the (i) Benefits under law 16.906 for biotechnology and (ii) Free zones regimes, as these regimes were abolished and amended without grandfathering. For the Benefits under lit S art. 52 for biotechnology and for software regime, no enhanced transparency requirements apply as follows. Uruguay amended the IP regime by implementing the nexus approach. The previous regime has been closed-off, and although grandfathering was provided, it is not available to new entrants that entered more recently and for which enhanced transparency obligations would apply.
- **Third category of IP assets:** not applicable as the regimes do not allow the third category of IP assets to qualify for the benefits.
- **Taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption:** not applicable as the regimes do not allow the nexus ratio to be treated as a rebuttable presumption.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

References

OECD (2017), BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology [3] for the Conduct of the Peer Reviews of the Action 5 Transparency Framework, OECD Publishing, Paris, <http://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>.

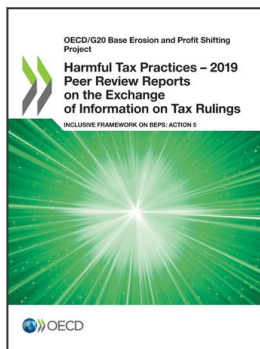
OECD (2015), Countering Harmful Tax Practices More Effectively, Taking into Account [1] Transparency and Substance, Action 5 - 2015 Final Report, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264241190-en>.

OECD/Council of Europe (2011), The Multilateral Convention on Mutual Administrative Assistance [4] in Tax Matters: Amended by the 2010 Protocol, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264115606-en>.

Notes

¹ Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Uruguay also has bilateral agreements with Belgium, Chile, Ecuador, Finland, Germany, India, Korea, Liechtenstein, Luxembourg, Malta, Mexico, Paraguay, Portugal, Romania, Singapore, Spain, Switzerland, United Arab Emirates, United Kingdom and Viet Nam.

² These are: (i) Benefits under law 16.906 for biotechnology, (ii) Benefits under lit S art. 52 for biotechnology and for software and (iii) Free zones regimes.



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