

## Uruguay

1. Uruguay was first reviewed during the 2017/2018 peer review. This report is supplementary to Uruguay's 2017/2018 peer review report (OECD, 2018<sup>[1]</sup>). The first filing obligation for a CbC report in Uruguay commences in respect of periods commencing on or after 1 January 2017.

### Summary of key findings

2. Uruguay's domestic and administrative framework meets all of the terms of reference (OECD, 2017<sup>[2]</sup>) except for the following:

- It is recommended that Uruguay amend its local filing conditions as they are wider than the circumstances when local filing may be required under paragraph 8(c) iv. a) b) and c) of the terms of reference. This recommendation remains unchanged since the 2017/2018 peer review.

3. Uruguay's 2017/2018 peer review included a recommendation that Uruguay finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible. Uruguay has primary<sup>1</sup> and secondary<sup>2</sup> law in place to implement the BEPS Action 13 minimum standard that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Uruguay. Guidance has also been published.<sup>3</sup> This recommendation is removed

4. The 2017/2018 peer review included recommendations to introduce or to complete the definitions of "Ultimate Parent Entity" and "Constituent Entity" and to set a specific amount for the revenue threshold. Uruguay has now introduced these two definitions in accordance with the terms of reference, as well as has set a specific threshold via regulatory decree No. 353 dated 26 October 2018.<sup>4</sup> In light of the update provided by Uruguay, these three recommendations on the parent filing obligation are now removed.

5. The 2017/2018 peer review included recommendations to introduce the deadline to file the CbC report. Uruguay has now introduced<sup>5</sup> a specific deadline that CbC reports have to be filed no later than 12 months after the last day of the reporting Fiscal Year of the MNE Group. In light of the update provided by Uruguay, this recommendation on the filing deadline is now removed.

6. The 2017/2018 peer review included recommendation to implement a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities in Uruguay. Uruguay has now introduced this provision via the guidance.<sup>6</sup> In light of the update provided by Uruguay, this recommendation on the limitation on local filing obligation is now removed.

7. Uruguay's 2017/2018 peer review included a recommendation that Uruguay take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Uruguay now has measures in place to ensure the appropriate use of

information in all six areas identified in the OECD *Guidance on the Appropriate Use of Information contained in CbC Reports* (OECD, 2017<sup>[4]</sup>). This recommendation is removed.

## Part A: The domestic legal and administrative framework

8. Uruguay's 2017/2018 peer review included a recommendation that Uruguay finalise its domestic legal and administrative framework in relation to CbC requirements as soon as possible. Uruguay has primary<sup>7</sup> and secondary<sup>8</sup> law in place to implement the BEPS Action 13 minimum standard that impose and enforce CbC requirements on MNE Groups whose Ultimate Parent Entity is resident for tax purposes in Uruguay. Guidance has also been published.<sup>9</sup> This recommendation is removed.

### *(a) Parent entity filing obligation*

9. The 2017/2018 peer review included a recommendation to Uruguay to introduce the definitions of "Ultimate Parent Entity" and "Constituent Entity". Uruguay has now introduced these two definitions in accordance with the terms of reference.<sup>10</sup> In light of the update provided by Uruguay the recommendation on the parent filing obligation is removed.

10. The 2017/2018 peer review included a recommendation to Uruguay to set a specific amount for the revenue threshold. There was a reference to a consolidated revenue threshold above which the filing obligation is triggered, the amount of which would be set in the secondary law. Uruguay indicates that the threshold amount is now specified in the regulatory decree as EUR 750 million<sup>11</sup>. In light of the update provided by Uruguay the recommendation on the revenue threshold is removed.

### *(b) Scope and timing of parent entity filing*

11. The 2017/2018 peer review included a timing requirement for the filing of reports. Uruguay has now introduced<sup>12</sup> a specific deadline that CbC reports have to be filed no later than 12 months after the last day of the reporting Fiscal Year of the MNE Group. In light of the update provided by Uruguay, this recommendation on the filing deadline is now removed.

### *(c) Limitation on local filing obligation*

12. The 2017/2018 peer review included a recommendation to amend its local filing conditions as they are wider than the circumstances when local filing may be required under paragraph 8(c) iv. a) b) and c) of the terms of reference.<sup>13</sup> This recommendation remains in place.

13. The 2017/2018 peer review included a recommendation to implement a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities in Uruguay. Uruguay has now introduced this provision via the guidance.<sup>14</sup> In light of the update provided by Uruguay, this recommendation on the limitation on local filing obligation is now removed.

14. No other inconsistencies were identified with respect to Uruguay's domestic legal framework in relation to the limitation on local filing obligation.

### *(d) Limitation on local filing in case of surrogate filing*

15. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

*(e) Effective implementation*

16. No changes were identified with respect to the limitation on the effective implementation.<sup>15</sup>

*Conclusion*

17. Uruguay meets all the terms of reference relating to the domestic legal and administrative framework, with the exception of (i) the local filing conditions (paragraphs 8(c) iv. a) b) and c) of the terms of reference).

18. It is recommended that Uruguay amend its local filing conditions as they are wider than the circumstances when local filing may be required under paragraph 8(c) iv. a) b) and c) of the terms of reference. This recommendation remains unchanged since the 2017/2018 peer review.

**Part B: The exchange of information framework***(a) Exchange of information framework*

19. As of 31 May 2019 Uruguay has 63 bilateral relationships, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, Uruguay has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions. No inconsistencies with the terms of reference were identified.<sup>16</sup>

*(b) Content of information exchanged*

20. Uruguay has written procedures in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged.

*(c) Completeness of exchanges*

21. Uruguay has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs.

*(d) Timeliness of exchanges*

22. Uruguay has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference.<sup>17</sup>

*(e) Temporary suspension of exchange or termination of QCAA*

23. Uruguay has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried out only as per the conditions set out in the QCAA.

*(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance*

24. Uruguay has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination

that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure.

**(g) Format for information exchange**

25. Uruguay confirms that it uses the OECD XML Schema and User Guide (OECD, 2017<sup>[3]</sup>) for the international exchange of CbC reports.

**(h) Method for transmission**

26. Uruguay indicates that it intends to use the Common Transmission System to exchange CbC reports.

**Conclusion**

27. Uruguay has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Uruguay meets all the terms of reference regarding the exchange of information.

## Part C: Appropriate use

28. The 2017/2018 peer review included a recommendation that Uruguay take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. Uruguay now has measures in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the Appropriate use of Information contained in CbC Reports* (OECD, 2017<sup>[4]</sup>). The recommendation is removed.

**Conclusion**

29. Uruguay meets all the terms of reference relating to the appropriate use of CbC reports.

## Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Uruguay amend the conditions for local filing or otherwise take steps to ensure that local filing can only be required in the circumstances contained in the terms of reference.
Part B	Exchange of information framework	-
Part C	Appropriate use	-

## Notes

<sup>1</sup> Uruguay's primary law consists of Law 19.484 of 5 January 2017, which is available at <https://parlamento.gub.uy/documentosyleyes/leyes/ley/19484>.

<sup>2</sup> Uruguay's secondary law consists of Decree N° 353/018 of 26 October 2018, which is available at [https://medios.presidencia.gub.uy/legal/2018/decretos/10/mef\\_2061.pdf](https://medios.presidencia.gub.uy/legal/2018/decretos/10/mef_2061.pdf).

<sup>3</sup> Guidance consists of Resolution 94/019 from DGI (Tax Administration) and the file “*formato informe país por país version 1.0.*” and is available at <https://servicios.dgi.gub.uy/cbc/cbc-principal?es>.

<sup>4</sup> See articles 6 and 7 of Decree No. 353 dated 26 October 2018.

<sup>5</sup> See article 9 of Decree No. 353 dated 26 October 2018.

<sup>6</sup> See resolution 94/2019 from DGI (Tax Administration), number 9.

<sup>7</sup> Uruguay’s primary law consists of Law 19.484 of 5 January 2017, which is available at <https://parlamento.gub.uy/documentosyleyes/leyes/ley/19484>.

<sup>8</sup> Uruguay’s secondary law consists of Decree N° 353/018 of 26 October 2018, which is available at [https://medios.presidencia.gub.uy/legal/2018/decretos/10/mef\\_2061.pdf](https://medios.presidencia.gub.uy/legal/2018/decretos/10/mef_2061.pdf).

<sup>9</sup> Guidance consists of Resolution 94/019 from DGI (Tax Administration) and the file “*formato informe país por país version 1.0.*” and is available at <https://servicios.dgi.gub.uy/cbc/cbc-principal?es>.

<sup>10</sup> Article 6 - Member entity of a Multinational Group - To the sole effects of the provisions of this decree, the related party condition provided by the second paragraph of article 46 ter of Title 4 of the 1996 T.O. shall be triggered when the entity is part of a Multinational Group. To such effects, an entity shall be considered part of a Multinational Group when any of the following conditions is verified: a) It is included in the consolidated financial statements of the Multinational Group for reporting purposes, or would be so included if equity interests in such entity were traded on a public security exchange market. b) It is excluded from the Multinational Group’s consolidated financial statements solely on size or relevance. The permanent establishment of the entities included in paragraph(a) or(b) will be considered members of the Multinational Group in all cases. Article 7 - Ultimate parent entity of a Multinational Group - The ultimate parent entity of a Multinational Group shall be the one that owns directly or indirectly an interest in another or other entities that compose such Multinational Group, that is required to prepare consolidated financial statements pursuant to the accounting principles generally applied in its jurisdiction of tax residence, or would be so required if its equity interests were traded on a public securities exchange market in the jurisdiction of its tax residence. If there is another entity that directly or indirectly holds a share in the capital of the entity referred to in the preceding paragraph, and it is also required to prepare consolidated financial statements under the conditions referred to in said subsection, this other entity shall be the reputed ultimate parent entity.

<sup>11</sup> See fourth subparagraph, article 46 ter, Title 4 of the 1996 T.O.: “*the multinational groups of large economic dimension, mentioned in the first subparagraph of this article, will be those whose consolidated revenue exceeds the threshold amount set by the Executive Branch*”

<sup>12</sup> See article 9 of Decree No. 353 which says: “*The taxpayer must file the special tax returns regarding the Country-by-country Report and Master File, within 12 months following the closing of the reporting year, under the terms and conditions determined by the DGI.*”

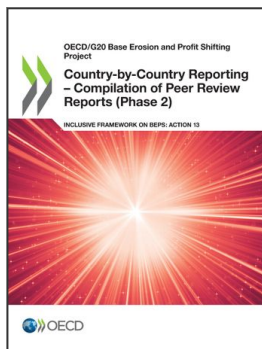
<sup>13</sup> See fifth subparagraph, article 46 ter, Title 4 of the 1996 T.O.

<sup>14</sup> See resolution 94/2019, number 9.

<sup>15</sup> Uruguay’s 2017/2018 peer review included a monitoring point relating to the absence of specific processes in place that would allow Uruguay to take appropriate measures in case it is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This aspect will be further monitored once the actual exchanges of CbC reports will commence. This monitoring point remains in place.

<sup>16</sup> No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

<sup>17</sup> Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.



From:

## Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2)

Inclusive Framework on BEPS: Action 13

Access the complete publication at:

<https://doi.org/10.1787/f9bf1157-en>

### Please cite this chapter as:

OECD (2019), “Uruguay”, in *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2): Inclusive Framework on BEPS: Action 13*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/43ceca5c-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.