



Taxation of international executives: Uruguay



February 2024

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01

Overview and Introduction

1 Overview and Introduction

Personal income tax started applying as from 1 July 2007 on Uruguayan-sourced income obtained by resident individuals.

Non-resident individuals are also subject to tax (non-resident income tax) on their Uruguayan-sourced income.

A net worth tax is also levied as described in the corresponding section below. The official currency of Uruguay is the Uruguay Peso (UYU).

Herein, the host country/jurisdiction refers to the country/jurisdiction where the expatriate is going on assignment. The home country/jurisdiction refers to the country/jurisdiction where the expatriate lives when they are not on assignment.

02

Income tax

2 Income Tax

2.1 Tax Returns and Compliance

When are tax returns due? That is, what is the tax return due date?

Act 18.083 introduced personal income tax to the Uruguayan tax system as from 1 July 2007. This tax applies on Uruguayan-sourced income obtained by resident individuals. Uruguayan-sourced income is basically defined as that obtained from activities developed, goods located, or rights used economically in national territory. As from 2011, as an exception to the source principle regime, some capital income items obtained abroad (basically interests and dividends) are also taxable for personal income tax.

Although the settlement and payment of this tax is annual, several withholding regimes have been established, including monthly withholdings applied by employers over salaries paid to their employees (in most circumstances this system allows the employee not to present an annual tax return).

What is the tax year end?

31 December.

What are the compliance requirements for tax returns in Uruguay?

Residents

The taxpayer has to register at the tax office, following the procedures and formalities established by law and regulations.

Non-residents

Non-resident individuals are subject to non-resident income tax on their Uruguayan-sourced income.

In most cases, this tax applies through local withholdings; otherwise the non-resident will have to file their own tax return (personally or by means of an appointed representative).

2.2 Tax rates

What are the current income tax rates for residents and non-residents in Uruguay?

Residents

Personal income tax is structured as a dual system that distinguishes between labor income and capital income, applying different tax rates to each class.

Labor income (Progressive rates)

Income tax tables for 2024, in Uruguayan peso (UYU):

| Taxable income (UYU) | Rates (%) |
|-----------------------|-----------|
| 0 – 518.868 | 0 |
| 518.868 – 741.240 | 10 |
| 741.240 – 1.111.860 | 15 |
| 1.111.860 – 2.223.720 | 24 |

| | |
|-----------------------|----|
| 2.223.720 – 3.706.200 | 25 |
| 3.706.200 – 5.559.300 | 27 |
| 5.559.300 – 8.524.260 | 31 |
| over 8.524.260 | 36 |

Family group

As from 2009 the possibility exists, at the taxpayer's option, to liquidate the personal income tax assessed over labor income as a family group.

If the income of each member of the family group, individually considered, exceeds UYU 267.216 the tax rates are as follows.

| Taxable Income (UYU) - Family (when labor income of each member exceeds 12 minimum salaries annually) | Rate (%) |
|---|----------|
| 0 – 1.037.736 | 0 |
| 1.037.736 – 1.111.860 | 15 |
| 1.111.860 – 2.223.720 | 24 |
| 2.223.720 – 3.706.200 | 25 |
| 3.706.200 – 5.559.300 | 27 |
| 5.559.300 – 8.524.260 | 31 |
| over 8.524.260 | 36 |

| Taxable Income (UYU) - Family (when labor income of one member does not exceed 12 minimum salaries annually) | Rate (%) |
|--|----------|
| 0 – 592.992 | 0 |
| 592.992 – 889.488 | 10 |
| 889.488 – 1.111.860 | 15 |
| 1.111.860 – 2.223.720 | 24 |
| 2.223.720 – 3.706.200 | 25 |
| 3.706.200 – 5.559.300 | 27 |
| 5.559.300 – 8.524.260 | 31 |
| over 8.524.260 | 36 |

Capital income

Certificates of Participation (publicly subscribed and listed on the Uruguayan stock exchange) issued by financial trusts.

| | | |
|--|--|------|
| In national nominal currency with a fixed rate | For one year or less | 5.5% |
| | For more than one year and up to three years | 2.5% |
| | For more than three years | 0.5% |
| | For one year or less | 10% |
| In national currency with readjustment clause | For more than one year and up to three years | 7% |
| | For more than three years | 5% |
| In foreign currency | For three years or less | 12% |
| | For more than three years | 7% |

Other incomes:

| | |
|--|-----|
| Interest and capital gains derived from Government bonds | 0% |
| Dividends or profits paid or credited by corporate income tax taxpayers originated in the rents resulting from capital gains (deposits, loans, etc.) paid by non-resident entities and constitutes passive income. | 12% |
| Dividends or profits distributed by local companies whose shares quote at the stock exchange | 0% |
| Other dividends or profits paid or credited by taxpayers of corporate income tax | 7% |
| Copyright rents | 7% |
| Dividends or profits distributed by local companies or permanent establishments originated in the participation of the company's capital obtained by new fiscal residents ("Tax Holiday" scheme) | 7% |
| Other incomes | 12% |

Non-residents

Certificates of Participation (publicly subscribed and listed on the Uruguayan stock exchange) issued by financial trusts.

| | | |
|--|--|------|
| In national nominal currency with a fixed rate | For one year or less | 5.5% |
| | For more than one year and up to three years | 2.5% |
| | For more than three years | 0.5% |
| | For one year or less | 10% |
| In national currency with readjustment clause | For more than one year and up to three years | 7% |
| | For more than three years | 5% |
| In foreign currency | For three years or less | 12% |
| | For more than three years | 7% |

Other incomes:

| | |
|---|------------------|
| Interest and capital gains derived from Government bonds | 0% |
| Dividends or profits distributed by local companies, and notional dividends ¹ | 7% |
| Dividends or profits distributed by local companies whose shares quote at the stock exchange | 0% |
| Income obtained by resident entities which are domiciled or incorporated in countries/jurisdictions or jurisdictions with low or no taxation or which obtain benefits under a special low or no taxation regime, except dividends or profits paid or credited by Corporate Income Tax taxpayers | 25% ² |
| Other incomes (including labor income) | 12% |

2.3 Residence rules

For the purposes of taxation, how is an individual defined as a resident of Uruguay?

An individual is considered a resident when any of these conditions is configured:

- when they stay in Uruguay for more than 183 days during any calendar year
- when the center of their vital or economic interests is located in Uruguay.

¹ From 01.03.17, net Uruguayan source income subject to Corporate Income Tax, obtained by resident enterprises since July 1st, 2007, which has not been distributed for four years or more, will be taxable as notional dividends at a rate of 7%.

² If income comes from real estate goods, located in Uruguay, the tax rate increases 5,25%.

Is there, a de minimus number of days rule when it comes to residency start and end date? For example, a taxpayer can't come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.

No.

What if the assignee enters the country/jurisdiction before their assignment begins?

This situation will not generate any tax effects in itself, but the whole period of the assignee's stay in Uruguay will be computed to determine if they are a resident or non-resident for tax purposes.

2.4 Termination of residence

Are there any tax compliance requirements when leaving Uruguay?

No.

What if the assignee comes back for a trip after residency has terminated?

The same comments made to the previous question apply in this case.

Communication between immigration and taxation authorities

Do the immigration authorities in Uruguay provide information to the local taxation authorities regarding when a person enters or leaves Uruguay?

The local taxation authorities have the power to request this type of information from the immigration authorities.

Filing requirements

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?

They will be subject to the general filing requirements, depending on the taxable income that they obtain during that fiscal year and on their status as resident or non-resident.

2.5 Economic employer approach

Do the taxation authorities in Uruguay adopt the economic employer approach to interpreting Article 15 of the Organization for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Uruguay considering the adoption of this interpretation of economic employer in the future?

No.

De minimus number of days

Are there a de minimus number of days² before the local taxation authorities will apply the economic employer approach? If yes, what is the de minimus number of days?

Not applicable.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

Labor income and capital income (please see the applicable rates previously mentioned).

Intra-group statutory directors

Will a non-resident of Uruguay who, as part of their employment within a group company, is also appointed as a statutory director (i.e., member of the Board of Directors in a group company? situated in Uruguay) trigger a personal tax liability in Uruguay, even though no separate director's fee/remuneration is paid for their duties as a board member?

No.

Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Uruguay?

No.

Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Uruguay (i.e., as a general management fee where the duties rendered as a board member is included)?

No.

In the case that a tax liability is triggered, how will the taxable income be determined?

Not applicable.

2.7 Tax-exempt income

Are there any areas of income that are exempt from taxation in Uruguay? If so, please provide a general definition of these areas.

Almost no exemptions are granted for labor income, but a non-taxable minimum has been established by law, and income from activities developed abroad is in general not subject to tax under the source principle.

With reference to capital income, some of the applicable exemptions include interests from public debt, distribution of dividends or profits from capital participation in entities not subject to corporate income tax and (under certain circumstances) income from the lease of real estate that does not exceed a certain amount established by law.

2.8 Expatriate concessions

Are there any concessions made for expatriates in Uruguay?

The source principle is applied as the general rule for personal income tax purposes, under which Uruguayan source income (i.e., derived from activities developed in, property located in, or rights economically used within the Uruguayan territory) is taxable. Foreign source income is in general not taxable, with the certain exceptions (mainly dividends and interest obtained abroad by tax resident individuals).

New tax residents can choose between being subject to a permanent 7 percent tax rate on the indicated foreign source income (normally taxable at 12%), or alternatively not being subject to income tax on foreign income for ten years after they become tax-resident in Uruguay (period during which they will be considered for purposes of the indicated foreign source income as non-residents).

The status of tax resident is not linked to any special visa category.

2.9 Salary earned from working abroad

Is salary earned from working abroad taxed in Uruguay? If so, how?

As a general rule, labor income for activities developed abroad will not be taxable under the source principle. However, as from 2011 the labor income obtained by employees of a Uruguayan enterprise for activities developed abroad in favor of their Uruguay employer is also subject to Personal Income Tax.

2.10 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Uruguay? If so, how?

Yes. As indicated above capital income of Uruguayan source is subject to tax (personal income tax or non-resident income tax), except if exempted by law.

Dividends, interest, and rental income

As a general rule, dividends or profits paid or credited by a corporate income tax taxpayer to a resident or non-resident individual will be subject to tax at the rate of 7 percent.

Interests are taxed at a rate between 0.5 percent to of 12 percent.

As an exception to the source principle, dividends and interest received from abroad are also subject to income tax when obtained by Uruguay resident individuals.

Rental income is taxed at the rate of 12 percent unless certain circumstances are met (that is, the rental does not exceed a certain total amount, the owner waives their bank secrecy rights and the other capital income that they obtain does not exceed a certain total amount).

Gains from stock option exercises

No specific rules have been established with reference to stock options, but if they have been granted as part of a labor compensation package they will be considered as labor income and subject to tax under the applicable rules for that category. In principle the moment of taxation would be when the option is exercised.

| Residency status | Taxable at: | | |
|-----------------------|-------------|------|----------|
| | Grant | Vest | Exercise |
| Resident | N | N | Y |
| Non-resident | N | N | Y |
| Other (if applicable) | N | N | Y |

Foreign exchange gains and losses

Rents from foreign exchange difference are not subject to tax.

Principal residence gains and losses

Gains and losses corresponding to each income category (labor and income) will be attributed to that category.

Capital losses

Capital losses will be computed in that income category and can be carried forward for 2 years.

Personal use items

Not applicable.

Gifts

Donations received by an individual are not subject to personal income tax (the donor will be subject to tax for the difference between the market value and the fiscal value of the donated goods).

2.11 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Uruguay? If so, please discuss?

As indicated above, capital gains that qualify as Uruguayan-sourced income will (as a general rule) be subject to either personal income tax or non-resident income tax.

Are there capital gains tax exceptions in Uruguay? If so, please discuss?

Not applicable.

Pre-CGT assets

Not applicable.

Deemed disposal and acquisition

Not applicable.

2.12 General deductions from income

What are the general deductions from income allowed in Uruguay?

Very few deductions will be admitted for personal income tax purposes, among them.

- In the case of capital income from the rental of real estate, the commission of the real estate administrator and certain applicable taxes can be deducted.
- In the case of labor income from employment relations, the social security contributions, children healthcare (a small, predetermined amount per child), pensioners' healthcare (a small, predetermined amount) and housing rental expenses and interests from loans for the purchase of houses for permanent residence (with certain limits) will be deducted.
- In the case of labor income from self-employment relations, a notional amount of 30 percent of the income will be admitted as a deduction, plus bad credits.

2.13 Tax reimbursement methods

What are the tax reimbursement methods generally used by employers in Uruguay?

Not applicable.

2.14 Calculation of estimates/ prepayments/ withholding

How are estimates/prepayments/withholding of tax handled in Uruguay? For example, Pay-As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

As indicated above, employers have been appointed as withholding agents of the personal income tax that applies on their employees' salaries on a PAYE basis.

Pay-as-you-go (PAYG) withholding

Not applicable.

PAYG installments

Is there any Relief for Foreign Taxes in Uruguay? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

Uruguay has Double Tax Treaties in force and effect with Argentina, Belgium, Chile, Ecuador, Finland, Germany, Hungary, India, Italy, Japan, Liechtenstein, Luxembourg, Malta, Mexico, Paraguay, Portugal, Romania, Singapore, South Korea, Spain, Switzerland, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland and Vietnam (treaties with several other countries/jurisdictions are in the process of negotiation but have not been internalized yet and are still not in force).

2.15 Relief for foreign taxes

Is there any Relief for Foreign Taxes in Uruguay? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

Uruguay has Double Tax Treaties in force and effect with Argentina, Belgium, Brazil, Chile, Ecuador, Finland, Germany, Hungary, India, Italy, Liechtenstein, Luxembourg, Malta, Mexico, Paraguay, Portugal, Romania, Singapore, South Korea, Spain, Switzerland, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, and Vietnam (treaties with several other countries/jurisdictions are in the process of negotiation but have not been internalized yet and are still not in force).

Unilateral tax credit is also given for foreign taxes applied on taxable dividends and interest received from abroad by IRPF taxpayers.

2.16 General tax credits

What are the general tax credits that may be claimed in Uruguay? Please list below.

As a general rule, Uruguay does not grant tax credits for Personal Income Tax purposes (deductions are also extremely limited, as indicated earlier).

2.17 Sample tax calculation

This calculation assumes a married taxpayer resident in Uruguay with two children whose 3-year assignment begins 1 January 2020 and ends 31 December 2022. The taxpayer's base salary is 100,000 US dollars (USD) and the calculation covers 3 years.

| Calendar | 2020 USD | 2021 USD | 2022 USD |
|--|-------------|-------------|-------------|
| Salary | 100,000 | 100,000 | 100,000 |
| Bonus | 20,000 | 20,000 | 20,000 |
| Cost-of-living allowance | 10,000 | 10,000 | 10,000 |
| Housing allowance | 12,000 | 12,000 | 12,000 |
| Company car | 6,000 | 6,000 | 6,000 |
| Moving expense reimbursement | 0 | 20,000 | 20,000 |
| Home leave | 0 | 5,000 | 0 |
| Education allowance | 3,000 | 3,000 | 3,000 |
| Interest income from non-local sources | 6,000 | 6,000 | 6,000 |

Exchange rate used for calculation: USD 1 = UYU 40.

Other assumptions

- All earned income is attributable to local sources.
- Bonuses are paid at the end of each tax year and accrue evenly throughout the year.
- Interest income is not remitted to Uruguay.
- The company car is used for business and private purposes and originally cost USD 50.000.
- The employee is deemed resident throughout the assignment.
- Tax treaties and totalization agreements are ignored for the purpose of this calculation.

Calculation of taxable income

| Year-ended | 2020 UYU | 2021 UYU | 2022 UYU |
|-------------------------------------|-------------|-------------|-------------|
| Days in Uruguay during year | 365 | 365 | 365 |
| Earned income subject to income tax | | | |
| Salary | 4.000.000 | 4.000.000 | 4.000.000 |
| Bonus | 800.000 | 800.000 | 800.000 |
| Cost-of-living allowance | 400.000 | 400.000 | 400.000 |
| Net housing allowance ³ | 143.854 | 155.012 | 164.364 |
| Company car ⁴ | 4.151 | 4.542 | 4.904 |
| Moving expense reimbursement | 0 | 800.000 | 800.000 |
| Home leave | 200.00 | 0 | 0 |
| Education allowance | 120.000 | 120.000 | 120.000 |
| Total earned income | 5.668.005 | 6.279.555 | 6.289.268 |
| Other income | 0 | 0 | 0 |
| Total income | 5.668.005 | 6.279.555 | 6.289.268 |

³ This benefit is valued monthly in 0.24‰ of the historic cost of the vehicle.

⁴

Calculation of tax liability

| Year-ended 31 March | 2020 UYU | 2021 UYU | 2022 UYU |
|--|-------------|-------------|-------------|
| Taxable income as above | 5.668.005 | 6.279.555 | 6.289.268 |
| Uruguayan tax thereon | 1.385.620 | 1.546.348 | 1.525.192 |
| Less: | | | |
| Deductions (such as, social security and dependent children) | 64.012 | 69.790 | 72.269 |
| Total Uruguayan tax | 1.321.608 | 1.476.558 | 1.452.924 |

Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g., foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

No (as a general rule, dividends or profits will be subject to income tax).

03

**Special considerations
for short term
assignments**

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

3.1 Residency rules

Are there special residency considerations for short-term assignments?

In order to work in Uruguay, foreigners must start the residence procedure at the immigration office.

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

In order to be included in the payroll, workers who come to Uruguay must start the residence procedure as indicated above.

3.3 Taxable income

What income will be taxed during short-term assignments?

If the assignment is for less than 183 days and the worker does not have in Uruguay the center of their economic or vital interest base, they will be subject to non-resident income tax (usually applied by withholding).

If they qualify as a resident, they will be subject to personal income tax.

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in Uruguay?

No.

04

Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Uruguay? If so, what are the rates for employers and employees?

Employer and employee

| Type of insurance | Paid by employer | Paid by employee | Total |
|------------------------------------|------------------|------------------|-----------|
| Pension Contributions ⁵ | 7.5% | 15% | 22.5% |
| Labor reconversion fund | 0.1% | 0.1% | 0.2% |
| Health insurance | 5% | 3%, | 8%, |
| | | 4.5%, 5% | 9.5% |
| | | 6%, 6.5% | 10% |
| | | or 8% | 11%, |
| | | | 11.5% |
| | | | or 13% |
| Labor credits guarantee fund | 0.025% | N/A | 0.025% |
| Total | 12.625% | 18.1%, | 30.75%, |
| | | 19.6%, | 32.25%, |
| | | 20.1%, | 32.75%, |
| | 0.025% | 21.1%, | 33.75%, |
| | 12.625% | 21.6% | 34.25% |
| | | or 23.1% | or 35.75% |

There is a social security contribution system, which covers all employees. All expatriates working in Uruguay temporarily or permanently, even for periods of less than 1 year, are subject to the social security system. However, where social security contributions are being paid in their country/jurisdiction of origin and Uruguay has entered into a social security treaty with that country/jurisdiction, the expatriate is exempt.

In calculating the amount of compensation subject to social security contributions all remunerative items that the employee receives from the employer must be included. Nevertheless, certain items like food and health assistance and life and accident insurances have been declared exempt from employee's social security charges, if their aggregate amount does not exceed 20 percent of worker's taxable remuneration.

Other income items, which may not be subject to tax, include work clothes.

Pension fund contributions

⁵ Pension contributions only apply over the portion of salaries that does not exceed USD 6.400

Pension fund contributions are calculated as a percentage of salary and, under the general regime, this percentage will amount to 22.5 percent, of which 7.5 percent is borne by the employer and 15 percent is withheld from the employee. It is worth noting that these contributions only apply over the portion of salaries that does not exceed USD 5.900 monthly, approximately.

Accidents at work are separately insured at the sole expense of the employer. Other contributions to the social security system are as follows.

Labor reconversion fund

This amounts to 0,2 percent (0,1 percent borne by the employer and 0,1 percent by the employee).

Health insurance

This amounts to 8 percent, 9,5 percent, 11 percent, 11,5 percent or 13 percent (5 percent borne by the employer and 3 percent, 4,5 percent, 5 percent, 6 percent, 6,5 percent or 8 percent withheld from the employee (depending on their salary and on the number of dependent children).

Labor credits guarantee fund

This amounts to 0,025 percent borne by the employer.

Municipal taxes

Expatriates may be subject to certain minor municipal taxes, which are typically not very significant. The main ones would be the urban land tax and vehicle taxes.

Net worth tax

Expatriates may be subject to the net worth tax on assets located in Uruguay. The tax is levied on net worth at 31 December.

This tax is levied annually on net worth (the difference between fiscal assets and fiscal liabilities) of individuals, family groups, numbered bank accounts, domestic corporations, and foreign corporations. However, in the case of individuals and family groups, only the annual average of monthly outstanding balances in debts with local banks is deductible as a qualifying liability.

Assets and liabilities should be valued according to the regulations. Foreign assets are excluded from taxation, but liabilities must be imputed first to the foreign assets, and only the balance is deducted from Uruguayan assets.

Bearer shares and government securities are tax-exempt. This exemption may be ineffective, as the values of exempted assets must be deducted from qualifying liabilities.

Individuals and family groups may deduct a non-taxable minimum⁶ (at the current exchange rates, approximately USD 151.450 per individual and USD 302.900 per family group). The tax is imposed at progressive rates ranging from 0,3 percent to 1,4 percent.⁷

4.2 Gift, wealth, estate, and/or inheritance tax

Are there any gift, wealth, estate, and/or inheritance taxes in Uruguay?

No.

⁶ As per Uruguayan Decree 416/023 of 19 December 2023: UYU 6.058.000 and twice that amount for family groups.

⁷ Uruguayan Tax Compilation, Title 14, art. 45.

4.3 Real estate tax

Are there real estate taxes in Uruguay?

Some municipal taxes are applied on the ownership of real estate, as well as a national tax called Impuesto de Enseñanza Primaria, but as a general rule their amount is not relevant.

It is also worth noting that a tax is levied on local sales of real estate at the rate of 4 percent (2 percent paid by the buyer and 2 percent by the seller), applicable one the cadastral value of the property.

4.4 Sales/VAT tax

Are there sales and/or value-added taxes in Uruguay?

Value-added tax is applied at the basic rate of 22 percent.

4.5 Unemployment tax

Are there unemployment taxes in Uruguay?

No.

4.6 Other taxes

Are there additional taxes in Uruguay that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

Excise tax applies on certain goods.

Customs duties apply on the importation of goods to Uruguay.

05

Immigration

5 Immigration

Following is an overview of the concept of Uruguay's immigration system for skilled labor.

(e.g., which steps are required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft flow chart illustrating the process)

This extract presents the basic information regarding work permit and temporary and permanent residences for Uruguay. The information is of a general nature and should not be relied upon as legal advice.

Few nationalities around the world need to obtain a visa in order to enter Uruguay and therefore it is usual for foreigners to start residence procedures only once they have arrived, since they can stay in Uruguay as tourists for a period of 90 days which can be extended for another 90 days.

Nonetheless, it is important to take into account that all foreign nationals need to start residence procedures in Uruguay in order to be employed and included in their employer's payroll (severe fines are applied by the Ministry of Labor and Social Security for employer's non-compliance with this obligation).

Since Uruguay has not established any minimum threshold in relation to the time during which labor activities can be performed in Uruguay, even for short periods of time a special migration procedure must be followed, by requesting a Temporary Identity Sheet that will allow the foreign employee to work in Uruguay for a maximum of 180 days (without starting a residence procedure).

For longer periods of time, in order to include a foreign employee in a Uruguayan payroll it will be enough to have started a residence procedure at the Migrations Office (it is not necessary for the residence procedure to be completed).

It is worth noting that nationals from MERCOSUR or associated States (at the date: Argentina, Brazil, Paraguay, Venezuela, Chile, Peru, Ecuador, Bolivia (Plurinational State of), Colombia, Suriname and Guyana) are subject to a simplified procedure in order to request temporary or permanent residence (in this last case before the Ministry of Foreign Affairs).

5.1 International Business Travel/Short-Term Assignments

Describe (a) which nationalities may enter Uruguay as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

As of 1 April 2019, the following nationalities are required a visa to enter Uruguay:

Afghanistan, Albania, Angola, Antigua and Barbuda, Saudi Arabia, Algeria, Azerbaijan, Bahrain, Bangladesh, Belarus, Benin, Bhutan, Bosnia and Herzegovina, Botswana, Brunei Darussalam, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, China, Comoros, Congo, Democratic Republic of the Congo, Democratic People's Republic of Korea, Côte D'Ivoire, Cuba, Djibouti, Egypt, Eritrea, Ethiopia, Fiji, Philippines, Gabon, Republic of The Gambia, Ghana, Guinea, Guinea Bissau, Equatorial Guinea, Haiti, India, Indonesia, Iraq, Iran (Islamic Republic of), Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Lebanon, Liberia, Libya, North Macedonia, Madagascar, Malawi, Maldives, Mali, Morocco, Marshall Islands, Mauritius, Mauritania, Micronesia (Federated States of), Republic of Moldova, Mozambique, Myanmar, Namibia, Nauru, Nepal, Niger, Nigeria, Oman, Palau Islands, Papua New Guinea, Pakistan, State of Palestine, Qatar, Dominican Republic, Rwanda, Solomon Islands, Samoa, Saint Lucia, Sao Tome and Principe, Senegal, Sierra Leone, Syrian Arab Republic, Somalia, Sri Lanka, Sudan, Suriname, Taiwan,

Tajikistan, Thailand, Togo, Tonga, Tunisia, Turkmenistan, Tuvalu, Uganda, Uzbekistan, Vanuatu, Viet Nam, Yemen, Zambia and Zimbabwe.

Non-visa nationals will enter in Uruguay with a tourist status, allowing them to stay 90 days in the country/jurisdiction, and being able to renew said term for another 90 days, without going out of the country/jurisdiction.

After those 180 days, the person will have to cross frontier and re-enter Uruguay to be entitled to spend another 90 up to 180 days.

People under this category cannot develop labor activities in Uruguay.

Describe (a) the regulatory framework for business traveler being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

Visa nationals must apply in the nearest Uruguay Consulate or Embassy base, where the applicant will have to submit the required documentation.

Said Uruguayan Consulate or Embassy will create a virtual file, which will be submitted for study to the National Direction of Migration, and once the solicitude is granted by Migrations, will communicate its decision to the Ministry of Foreign Affairs, which will give the order to the Consulate or Embassy to stamp the visa in the applicant's passport.

Once the visa is stamped in the applicant's passport, the person will have a maximum of 60 days to enter Uruguay.

Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

The required documents, process steps, processing time and location of application vary depending on the person's nationality and where the Consulate or Embassy is based.

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

Such visa category does not exist under Uruguayan immigration system.

However, any foreign employee may process a work permit at the National Direction of Migration, named Temporary Identity Sheet (TIS), which will allow the foreign employee to develop any kind of productive activity in Uruguay and be included in the employer's payroll, for a maximum of 180 days.

The average time that it takes for the TIS to be obtained is of 30 days since all documentation has been submitted.

In case the employee will need to stay any longer, it will be necessary to start a residence procedure (either temporary or permanent).

The required documents to request an TIS are the following:

- Letter from the employer including:
 - Full name of the Uruguayan Company.
 - Tax number.
 - Social Security number.
 - Full name and ID document of the person signing in representation of the company.
 - Full name of and ID document of the foreign employee.

- Position within the Company.
- Net salary.
- Period of time (exact start and end day) that the foreign employee will be developing its activities in the Company (cannot be longer than 180 days).
- Company's notary certificate of good standing.
- Scanned ID of the foreign employee.
- Scanned ID of the person signing letter for the company.
- Birth certificate, apostilled or legalized.

Please note that the documents that are not originally in Spanish, must be translated by a Uruguayan Public Translator.

5.2 Long-Term Assignments

What are the main work permit categories for long-term assignments to Uruguay? In this context outline whether a local employment contract is required for the specific permit type.

For long-terms assignments it will be necessary either to process a Temporary or Permanent Residence.

A local employment contract will normally be necessary in order to justify the means of life of the expatriate.

Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validation of the permit).

Permanent Residence

All non-MERCOSUR nationals must carry on this process at the National Direction of Migration.

A web application must be presented, where all the scanned documentation must be uploaded at the Migration's Office website. Once this step has been completed, an appointment date will be granted, at which the applicant must attend the Migration's office personally to submit all the required documentation.

Completing the residence procedure might take a long period of time (1 to 3 years), but this is not an impediment for the expatriate to start working in Uruguay, since for that purpose it will only be necessary to have started the residence procedure. A Uruguayan ID card will also be issued almost immediately after the starting appointment at the Migration's Office has taken place.

This kind of residence must be renewed each 3 years.

MERCOSUR Permanent Residence

An electronic appointment must be requested at the Ministry's website, at which the foreign employee must personally assist to submit the required documentation, after which they will be entitled to obtain a Uruguayan ID card.

Temporary Residence

All non-MERCOSUR nationals must carry on with this process at the National Direction of Migrations.

A web application must be presented, where all the scanned documentation must be uploaded at the Migration's Office website. Once this step has been completed, an appointment date will be granted, at which the applicant must attend the Migration's office personally to submit all the required documentation.

Although completing the residence procedure might take up to 2 months, the expatriate will be able to start working as from the moment in which the residence procedure is started.

This kind of residence will be granted for 2 years, renewable once for another 2 years. In case the foreign employee must stay longer than these 4 years, at the end of the second period, it will be necessary to change the status of the request to Permanent Resident.

MERCOSUR Temporary Residence

A web application must be presented, where all the scanned documentation must be uploaded at the Migration's Office website. Once this step has been completed, an appointment date will be given, when the applicant must attend the Migration's office personally to submit all the required documentation.

It may take up to 2 months from this appointment until the residence is granted and issued. At the end of the procedure, the foreign employee will obtain a Uruguayan ID card.

The duration of the procedure will not be an impediment for the expatriate to start working in Uruguay, since they will be able to start working and be included in the employer's payroll from the day in which the residence process is started.

This kind of residence will be granted for 2 years, renewable once for another 2 years. In case the foreign employee must stay longer than these 4 years, at the end of the second period, it will be necessary to change the status of the request to Permanent Resident.

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?

There is a minimum salary amount fixed by Decree and Salary Counsel Agreements that all employers must respect. Migratory authorities take the net salary amount in consideration when deciding whether to grant a residence request.

If special allowances are constant and shown in official documents of salary payment, they may be taken into account for purposes of justifying the means of life of the expatriate.

Is there a fast-track process which could expedite the visa/ work permit?

A fast-track process is not contemplated by our migratory system, other than the situations mentioned above for MERCOSUR nationals and TIS.

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

The foreign employee will be able to start working since any of the five residence procedures mentioned above have been started.

Since processing a TIS is the fastest way to have a foreign employee added to a payroll, it is usual for the corresponding procedure to be initially followed, and in parallel request an appointment for the permanent or temporary residence.

If the permanent or temporary residence process starts before the TIS' expiration date, the expatriate will be considered as having the status of permanent or temporary resident in process.

Can a short-term permit/ business visa be transferred to a long-term permit in Uruguay?

Permanent or Temporary Residence can be started at any time in Uruguay, following the steps referred to above.

Is it possible to renew work and residence permits?

The TIS can be requested for a maximum of 180 days on a calendar year period.

Temporary Residence can be renewed for just one time; and Permanent Residence can be renewed as many times as wanted, provided the foreign employee fulfills the requirements and conditions established by the law.

Is there a quota or system or a labor market test in place?

As a rule, there are no quotas or labor market tests in place.

Notwithstanding, it is worth noting that for Free Zone companies to maintain the tax benefits granted by law at least 75 percent of their personnel must be Uruguayan nationals.

5.3 General Immigration Related Questions

Would it be possible to bring family members to Uruguay?

Family members can be brought to Uruguay.

Depending on the kind of the residence, the foreign employee will have to prove that their salary will be sufficient to support its family members arriving to Uruguay.

Is it possible to obtain a permanent residence permit?

Yes.

What if circumstances change after the Work and Residence application process (e.g., change of employment or personal situation, including job title, job role or salary)

It depends of the change of circumstances and the application process status at the time.

- If changes are to improve the employee's previous status this fact will not affect the immigration process.
- If changes in the circumstances cause a detriment in the employee's previous status, and only the signature of the Government approval is pending additional information will not be requested from the employee, so the process will not be stopped.
- If the changes take place while the residence procedure is still being processed by the Migrations Office, additional information may be requested.

How long can a permit holder leave Uruguay without their permit becoming invalid?

- Temporary Identity Sheet: this permit last for a maximum of 180 days and that period will not be interrupted by the expatriate leaving Uruguay (if the indicated term expires a new request will have to be started).
- Temporary Residence:
 - Residence in process: the foreign employee must obtain and exhibit each time they leave the country/jurisdiction a "re-entry permit", which can be obtained the day of the residence starting appointment. Anyhow, there's not limit of time to be out of Uruguay during this period.
 - Temporary Resident: once temporary residence has been granted re-entry permits will not be required.
- Permanent Residence:
 - Residence in process: the foreign employee must obtain and exhibit each time they leave the country/jurisdiction a "re-entry permit", which can be obtained the day of the residence starting appointment. Reiterated departures from Uruguay, or long periods outside the country/jurisdiction may be negatively perceived by the authorities when deciding if residence will be granted.
 - Permanent Resident: to maintain permanent resident status, the foreigner must stay at least 1 day in Uruguay during a period of 3 years.

Must immigration permissions be cancelled by the end of the assignment/employment?

They can be cancelled but it is not a legal requirement.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

The penalties for individual non-compliance with immigration law generally consist in the demand from the migration authorities to leave the country/jurisdiction immediately and eventually prohibiting future entries to national territory.

As regarding penalties for employers for non-compliance with immigration Law, they consist in fines that can range between 100 and 150 daily wages for each non-compliant foreign employee. In case a non-documented employee suffers a labor accident, the Government will take care of the medical assistance but will have the right to repeat against the employer the total amount of the expenses that it incurs.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in Uruguay when it comes to the immigration processes.

- Necessary documentation to bring from abroad for residence process (duly apostilled or legalized):
 - Birth certificate.
 - Police records certificate from country of birth, country where the person is resident, and countries in which they have lived for more than 6 months in the last 5 years.
 - Vaccine certificate certifying the person has been vaccinated against tetanus, measles, rubella and mumps.
 - Marriage certificates.
- Police records certificate that are issued electronically do not need to be apostilled or legalized.
- If the foreign employee does not have the vaccine certificate, they must take them for free in Uruguay.
- If the foreign employee brings the vaccine certificate, besides the apostille or legalization it will have to be homologated in the Ministry of Public Health in Uruguay.
- If the country where the police record certificates come from is a federal country, Uruguayan migratory authorities will only accept the one issued by the competent federal entity (not provincial, state or municipal ones).
- All documents issued in another language than Spanish, will have to be translated in Uruguay by a Uruguayan Public Translator. Translations made abroad will have to be homologated by a Uruguayan Public Translator.
- Regarding Non-MERCOSUR nationals Permanent Residence procedures, the biggest problem is usually justifying the reiterated departures from Uruguay or long lengthy stays abroad.
- Appointments to start any kind of the residence process at the National Direction of Migrations takes between 2 and 3 months as from their request via web (appointments to start residence procedures for MERCOSUR nationals at the Ministry of Foreign Affairs are normally made for the next week as from request).
- In all residence procedures the requested documents must be presented at the initial appointments, otherwise the appointment will be lost, and a new one will have to be requested, with the consequent delays.
- The TIS procedure does not require the presence of the expatriate and the corresponding request can be made by the employer to the National Direction of Migration via web. Since the process is starter, the employee may be included in the employer's payroll.

In order for foreign employers to register in Uruguay their workers that will be developing activities in Uruguay they will have to register themselves at the Tax Office and Social Security Office (e.g., as a branch, permanent establishment or as a foreign company with accidental activities in Uruguay when a PE is not created).

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