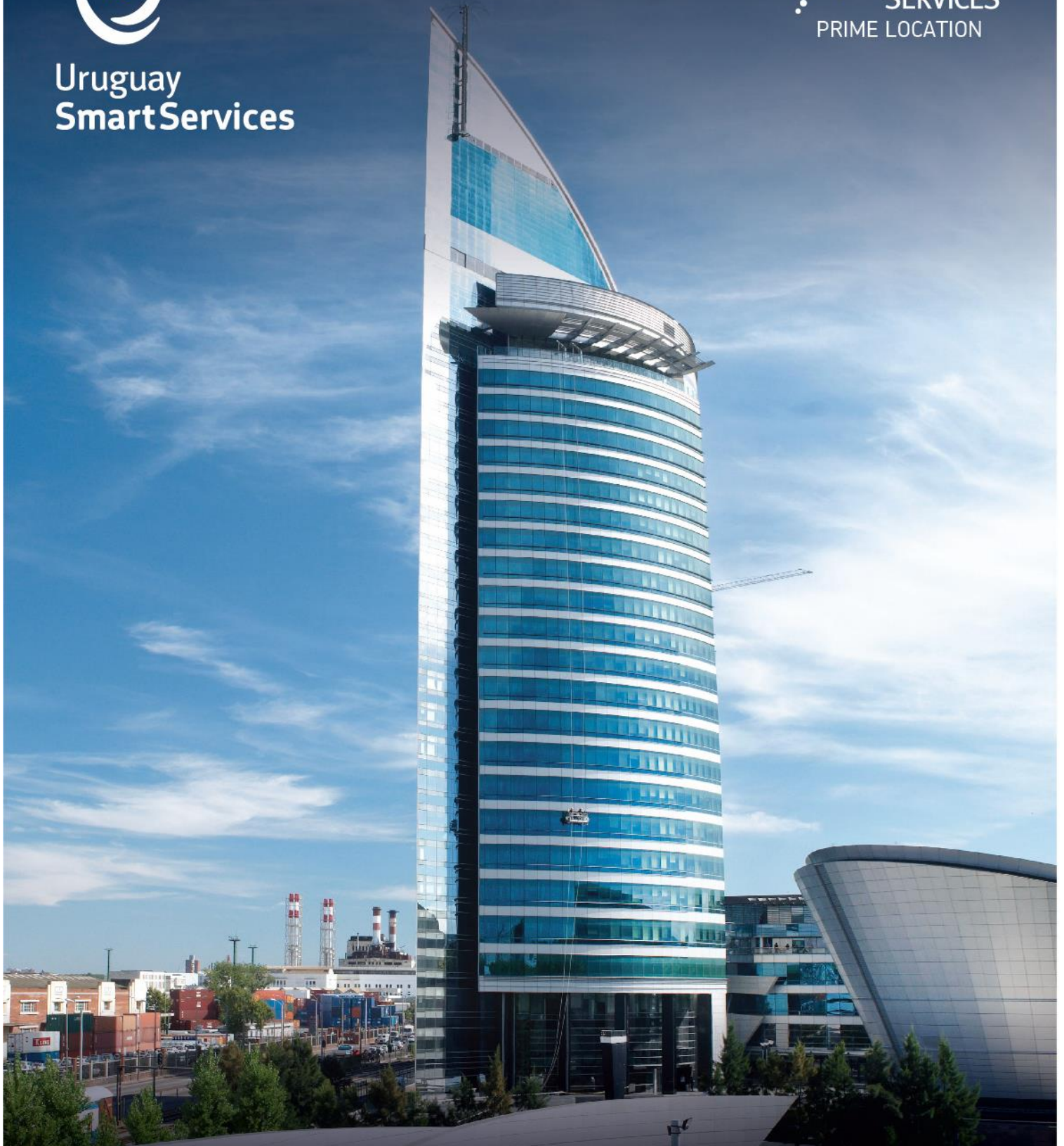




Uruguay
SmartServices

 BUSINESS
SERVICES
PRIME LOCATION



LATINAMERICA'S #1 BUSINESS GATEWAY



reliability

Political, social and economic stability
Free currency and free capital repatriation
Tax compliance and outstanding benefits



market access

Easy access to Brazil / Spanish-speaking countries
Convenient time zone and cultural affinity
World-class facilities and connectivity



talent

Highly skilled and multilingual: Spanish, English, Portuguese
Competitive, adaptable and committed labor force
Free, high-quality public education through college



lifestyle

Relaxing and enjoyable place to live
Vast cultural, educational and health amenities
Friendly and polite people

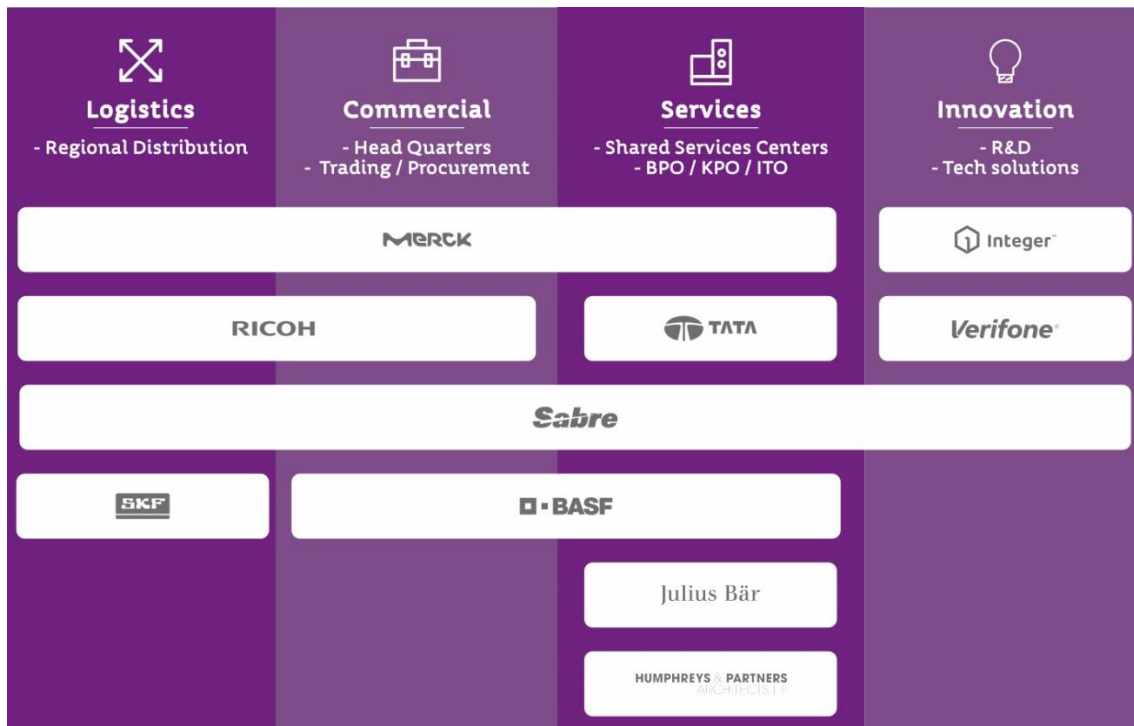


success

FDI track record
Testing ground for innovation

1. BUSINESS PLATFORMS & OPPORTUNITIES FOR GLOBAL COMPANIES

In the past few years, Uruguay has become a target location for **Regional Corporate Centers**, especially as a regional hub, where the main platforms are as follows:



Although Uruguay has special attractions for the location of captive centers, it is also a privileged destination for outsourced centers focused on high-value tasks (BPO & KPO CENTERS).

Many international companies choose Uruguay to provide services to other Latin American Spanish speaking countries, to Brazil, and the world.

The Offshoring services exports represent **18%** of total Uruguayan Exports (goods & services).

2. URUGUAY #1 in LATIN AMERICA

Uruguay is the most reliable country to do business in one of the most economically attractive regions in the world. It offers a favorable business climate, social and political stability, investment grade rating and sustained GDP growth during the past 15 years. Investors distinguish Uruguay's world-class infrastructure, and excellent quality of life for executives and their families.

Uruguay's attractive tax system for export operations, such as the free trade zones, the investment law, free port and airport; qualified and multilingual talent (Spanish, English, and Portuguese) and competitive costs are also highlighted by investors. In addition, foreign investments receive equal treatment to domestic ones, there are no restrictions on capital or profit repatriation, and companies can operate in domestic or foreign currency.



Democracy Index
Economist Intelligence Unit, 2017 **#1**



Low Corruption
Transparency International, 2017 **#1**



Prosperity Index
Legatum Institute, 2017 **#1**



Rule of law Index
World Justice Project, 2017 **#1**



IT Development Index
International Telec. Union, 2017 **#1**



Internet Average Speed
AKAMAI, 2017 **#1**



E-Gov Development Index
United Nations, 2016 **#1**



Quality of living
Mercer, 2017 **#1**

SUCCESS STORIES

REGIONAL HEADQUARTERS, SHARED SERVICES CENTERS, TRADING & PROCUREMENT CENTERS

Uruguay's capital city, Montevideo, has become a hub for Regional Headquarters (HQ), Trading / Procurement Centers and Shared Services Centers (SSC), with key regional positions providing commercial services, F&A, HR management services, customer service. Most of them are located in Free Trade Zone areas.

Some renowned companies which have set up a HQ/SSC/Trading or Procurement center in Uruguay include: **Abbott, BASF, Finning Caterpillar, Sabre, Altisource, SKF, Arcos Dorados (McDonald's), Pluspetrol, and Tenaris**, among others.

Additionally, **trading companies** like **Louis Dreyfus Company, COFCO Agri, Bunge, and Trafigura** have chosen Uruguay as a regional hub.

Testimonial



Berthold Ebner

Former Managing Director, BASF Services Americas

"We wanted to centralize all BASF's accounting services in the Americas, from Alaska to the Patagonia, in a single country. We decided on Uruguay for three main reasons. The first was its government, offering economic and social stability, ease of doing business, minimal bureaucracy and low levels of crime and corruption. The second was the country's quality and uninterrupted Internet connections, which our company needed to transport the data powering our equipment and technology. Most important was human resources, because our services depend on people. Uruguay offers professional and well-educated talent due to the country's excellent universities. We are more convinced every day that we made an excellent choice by coming to Uruguay."

REGIONAL DISTRIBUTION CENTERS (RDC)

Uruguay is positioned as an extremely attractive site for the development of distribution activities and logistics. Not only because of its convenient legal framework for companies with foreign trade operations, but also due to its advantages as a logistics platform. Uruguay is the only country in South America to have both free ports and airports; it has top-notch extra-port (or fiscal) warehouses, a stable and tax compliant free trade zone scheme, and a foreign trade one stop shop.

In addition, the country's strategic location, quality of services, language capabilities, and the convenient distance between key institutions and services providers within Montevideo, make Uruguay the region's best logistics platform with reduced costs, and a safe and agile entry to LATAM.

Some RDC for high value products operating in Uruguay include:

SKF, Columbia, GAP, Dupont, Ricoh, Kodak, Samsonite, Sony, Lexmark, Verbatim, Shimadzu, Adium Pharma and Merck.

Testimonial



Gabriela Brancato

Managing Director, Merck Uruguay

“Merck’s decision to establish and maintain the operations in Uruguay was grounded on three main factors: Business environment, Competitive Human Resources and Neutral Attractive location.

A favorable legal framework, high democracy index and one of the best economic climates in the region provides an ideal business environment needed for a multinational company. The country has stable and long term macroeconomic policies that helps the promotion of foreign capital investment and fosters the free zone regime.

Uruguay’s high standards of living compared to the rest of the region, the availability of competitive and highly skilled human resources and customer service orientation are also key for the maintenance and growth of our business in the region.

We currently have approximately 90 employees rendering logistics and regional services to Latin American affiliates. The experience of being settled in Uruguay has been very successful and well perceived by our headquarters which allows our country to be considered for further developing opportunities within Merck.”

THIRD PARTY – BPO

Though most operations settled in Uruguay are captive ones, there are many third party providers (global and locals), providing BPO services. Main examples are **Tata Consulting Services, Alorica, TMF, Atento and Avanza.**

Testimonial



Gabriel Rozman

Former Executive VP, Emerging Markets, Tata Consultancy Services

“We started working in LAC in the year 2002 and established operations initially in Uruguay. We were 15 and today we are 1,500 people. We do infrastructure, application management, software development, outsourcing of processes and systems, and back-office processing. This is the sort of work which carries a lot of responsibility for our customers.

The organizations we work for are very worried about their software being maintained from locations that are predictable, stable, and where the investment they make in sending the software, their knowledge, the IP is well-protected and that they can function 365 days a year, 24 hours a day if necessary. Another consideration why we selected Uruguay was the quality of the human resources. We were very impressed. Today, we are certain that the Uruguayans engineers well deserve the reputation they have around the world.”

THIRD PARTY – KPO

Beside to SSC and BPO activities, there are higher value added activities being carried out from Uruguay. Companies focused on market analysis, risk management, and financial advisory, such as **Willis Towers Watson** also find competitive advantages in Uruguay for their KPO operations.

Testimonial



Sofía Jaunsolo

Country Manager, Willis Towers Watson

“Uruguay has the qualified talent that our company needs. For the scale of operations that we had planned for Uruguay, we didn’t have problems to find people with solid academic qualifications and excellent English skills. Uruguay is also competitive in terms of operational costs, especially when compared with countries in developed economies. Also, the fact that there is a free trade zone regime, with the fiscal benefits that this implies, as well as the ease to settle within those free trade zones, were key factors in the decision to open in Uruguay. And finally, another factor is Uruguay’s general environment. Legal certainty, political stability, good indicators regarding the ease of doing business in the country, suitable physical and communication infrastructures, were all very important factors in the decision to settle in Uruguay.”

IT CENTERS

The existence of an IT and innovation ecosystem triggered Uruguay to be an excellent hub for IT support and development. These centers give support to Latin America and other parts of the world. Friendly legal frameworks with specific fiscal incentives together with a high quality talent make Uruguay an unsurpassed place to invest in an IT Center. Some companies established in Uruguay are: **Globant, TCS and Totvs as third party providers and Sabre, Verifone, Netsuite, or TopsySystem, as captive centers.**

Testimonial



Lisa Schwab

Former VP, Sabre

“We came to Uruguay due to its political and economic stability in conjunction with the amazing talent and the high degree of education in the Uruguayan workforce. We have stayed because of the same three factors. We are incredibly proud that the Montevideo center has become a world leader in customer care and a competitive differentiator for Sabre. We expect it to continue being so into the future”.

R&D CENTERS AND CLINICAL RESEARCH

Uruguay is an attractive innovation hub for research institutes and R&D centers of Life Science companies. The country offers government support coupled with a synergetic ecosystem that nurtures life science companies investing in Uruguay. In addition, Uruguay has a high potential for multicenter clinical research projects.

Among the advantages that foreign investors note for setting up R&D centers in Uruguay:

- » Availability of talented and cost-competitive R&D workforce.
- » Easy access to a market of 398 million people (76% of Latin America's GDP) through Free Trade Agreements.
- » Close proximity to Argentina and Brazil, the largest centers of research excellence in South America.
- » Science and technology parks with cutting-edge infrastructure under the free zone scheme (exempted from all taxes).
- » Outstanding tax incentives and attractive system for import and export of scientific inputs and equipment.
- » Variety of R&D institutes for capturing regional and international cooperation projects, such as the Institute Pasteur, Pando Technological Pole, Biological Research Institute 'Clemente Estable', Center for Biomedical Research, and Uruguayan Centre of Molecular Imaging.

Testimonials



Luis Barbeito

Executive Director, Institute Pasteur

“Institute Pasteur of Montevideo was founded in 2006, as an initiative of the Uruguayan and French governments. Uruguay was chosen for its strategic geographical position between Argentina and Brazil, allowing a leading interaction with the largest scientific and economic players of the region. The country also offers exceptional logistic benefits, providing easiness to import and export scientific chemicals and equipment, (almost) at the original price, which is a big difference with neighboring countries. In addition, there is a good ecosystem between the companies, the academy, and the government agencies that fund innovation projects, favoring the addition of values. Finally, Uruguay stands out for the quality of their people: researchers and students are very well qualified, and the country effectively attracts foreign talent.”



Integer Montevideo (formerly CCC Medical Devices) is dedicated to the design, development and manufacture of complete medical systems, with more than 35 years of experience in implantable medical devices that primarily service the United States market.

The company's origin began in the 1970's with the production of pacemakers led by Dr. Orestes Fiandra. Up until 2014, CCC focused 100% on the development of special projects in electronic engineering and software, including the prototype design and development of implantable and non-implantable devices, as well as manufacturing for its customers.

In August 2014, CCC was acquired by Greatbatch™, a medical device outsource company that provided components for implantable devices. In 2016, Greatbatch acquired Lake Region Medical™ and rebranded as Integer™. With the combination of CCC and Lake Region Medical, Integer has expanded its breadth of capabilities across the continuum from components to fully integrated systems to better meet the needs of the original device manufacturer (OEM).

Integer Montevideo has 250 employees, which includes 60 engineers (electrical, software, mechanical and chemical) in research and development.

3. KEY PLAYERS

Captive Centres, BPO, IT	Country of origin	Operation in UY	Location in Free Trade Zones	FTEs*	Domestic	Offshore	Captive/Third Party/RCD/IT	Customer Service	Business & Knowledge Process	IT Development or support	Languages supported
Sabre	USA	2004	AP-ZA	980		✓	C	✓	✓	✓	S,E,G
Mercado Libre	Argentina	2011	AP-WTC	600		✓	C	✓	✓	✓	S,E
Despegar.com	Argentina	2010	ZA	450		✓	C		✓	✓	S,E
RCI	USA	2005	ZA	340	✓	✓	C	✓	✓	✓	S,E,G,F
BASF	Germany	2014		410		✓	C		✓		S,E,P,G
Trafigura	Switzerland	2013	ZA	300		✓	C		✓		S,E,F
Pedidosya	Germany	2010		390	✓	✓	C	✓	✓	✓	S,E,P
Tenaris	Italy	2003		220		✓	C		✓	✓	S,E,G,F,I
Altisource	USA	2009	ZA	160		✓	C		✓		E
Syngenta	Switzerland	2016		210		✓	C		✓		S,E,P
Finning-Cat	Canada	2003	ZA	140		✓	C		✓		S,E,P,F
Louis Dreyfus Company	France	2002	WTC	80		✓	C		✓		S,E,P
Julius Bar	Germany	1994	ZA	100		✓	C		✓		E,G
Dufry	Switzerland	2010	ZA	130		✓	C		✓		S,E,P
Willis Towers Watson	USA	2005	WTC	110		✓	C		✓		E
Cofco	Hong Kong	2002	WTC	100		✓	C		✓	✓	S,E
Bunge	Netherlands	2012	WTC	95		✓	C		✓		S,E,
Humphreys & partners	USA	2011	WTC	35	✓	✓	C		✓		E
Assist-Card	Switzerland	1998	ZA	70		✓	C	✓	✓		S,E
Sportradar	Switzerland	2010	ZA	120		✓	C	✓	✓		S,E,P
Bestseller	Denmark	2014	WTC	60		✓	C		✓		S,E
Itaú	Brazil	2013	AP	50		✓	C		✓		P

Captive Centres, BPO, IT	Country of origin	Operation in UY	Location in Free Trade Zones	FTEs*	Domestic	Offshore	Captive/Third Party/RCD/IT	Customer Service	Business & Knowledge Process	IT Development or support	Languages supported
Pluspetrol	Netherlands	2015	WTC	50		✓	C		✓		S,E
Etermax	Argentina	2013	WTC	40		✓	C		✓	✓	S,E
Travel Leaders Global Services	USA	2011	AP	50		✓	C	✓		✓	S,E
Abbott	USA	2016	ZA	30		✓	C		✓		S,E
Interfood	Netherlands	2011	ZA	28	✓	✓	C		✓		E
Arcos Dorados	USA	2011	WTC	25		✓	C		✓		S,E,P
Netsuite	USA	2012		140		✓	C+IT			✓	S,E
Verifone	USA	2006	ZA	110		✓	C+IT			✓	S,E,P
Stefanini	Brazil	2012		100	✓	✓	C+IT			✓	S,E
Infragistics	USA	2008		45		✓	C+IT	✓			S,E
Mega Labs	Argentina	2013	PDLC	350		✓	C+RD C		✓	✓	S,E,G
Adium Pharma	Argentina	2010	ZA	300		✓	C+RD C				
PEPSICO	USA	1955	ZFC	150	✓	✓	C+RD C		✓		S,E,P
Merck	Germany	1989	ZA	85		✓	C+RD C		✓		S,E,P
RICOH	Japan	2010	ZA	118		✓	C+RD C		✓		S,E
SKF	Sweden	2012	ZA	16		✓	RDC	✓	✓		S,E,P,G,F
Roche	Switzerland	1947		30		✓	C+RD C		✓		E,G,F
Alorica	USA	2011	AP	850		✓	TP	✓	✓		S,E
Atento	España	2006		400	✓	✓	TP	✓			S
Avanza	España	2006		210	✓	✓	TP	✓			S
Aiva- Old Mutual	South Africa	1994	ZA	130	✓	✓	TP	✓	✓	✓	S,E

Captive Centres, BPO, IT	Country of origin	Operation in UY	Location in Free Trade Zones	FTEs*	Domestic	Offshore	Captive/Third Party/RC D/IT	Customer Service	& Knowledge	IT Development or support	Languages supported
GIS Europa	Belgium	2012	WTC	30		✓	TP		✓		S,E
DSO	France	2010	AP	23		✓	TP	✓	✓		S,E
TMF	Netherlands	2006	ZA	20		✓	TP		✓		S,E
TCS	India	2002	ZA	1400		✓	TP+IT	✓	✓	✓	S,E
Globant	Argentina	2010	AP	450		✓	TP+IT			✓	S,E
Integer	USA	2014		250	✓	✓	TP+IT			✓	S,E
Totvs	Brazil	2000		60	✓	✓	TP+IT			✓	S,E
Tradehelm	USA	2016	AP	80	✓	✓	TP+IT		✓	✓	S,E

*AP= Aguada Park

ZA= Zonamerica

WTC = World Trade Center Free Zone

PDLC= Parque de las Ciencias

ZFC= Zona Franca Colonia

URUGUAY'S VALUE PROPOSITION

Uruguay's attractiveness relies on four key pillars: **reliability, market and nearshore location, qualified human capital, and a unique lifestyle.**



reliability

Political, social and economic stability
Free currency and free capital repatriation
Tax compliance and outstanding benefits

In service operations maximizing investment security is paramount. Uruguay offers investment security within an economically attractive region.

The country has maintained strong political and social stability for years, supported by a consolidated democracy and the rule of law.

Uruguay consistently leads Latin America and the Caribbean rankings relevant to potential investors:



Democracy Index
Economist Intelligence Unit, 2017 **#1**



Low Corruption
Transparency International, 2017 **#1**



Prosperity Index
Legatum Institute, 2017 **#1**



Rule of law Index
World Justice Project, 2017 **#1**



IT Development Index
International Telec. Union, 2017 **#1**



Internet Average Speed
AKAMAI, 2017 **#1**



E-Gov Development Index
United Nations, 2016 **#1**

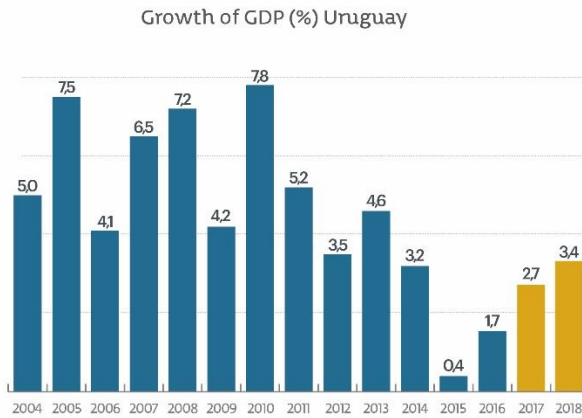


Quality of living
Mercer, 2017 **#1**

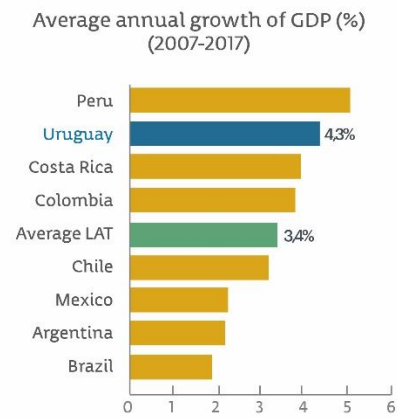


Macroeconomic stability

Uruguay has enjoyed 12 years of uninterrupted GDP growth. Between 2007 and 2017 the economy grew at an annual average rate of over 4%.

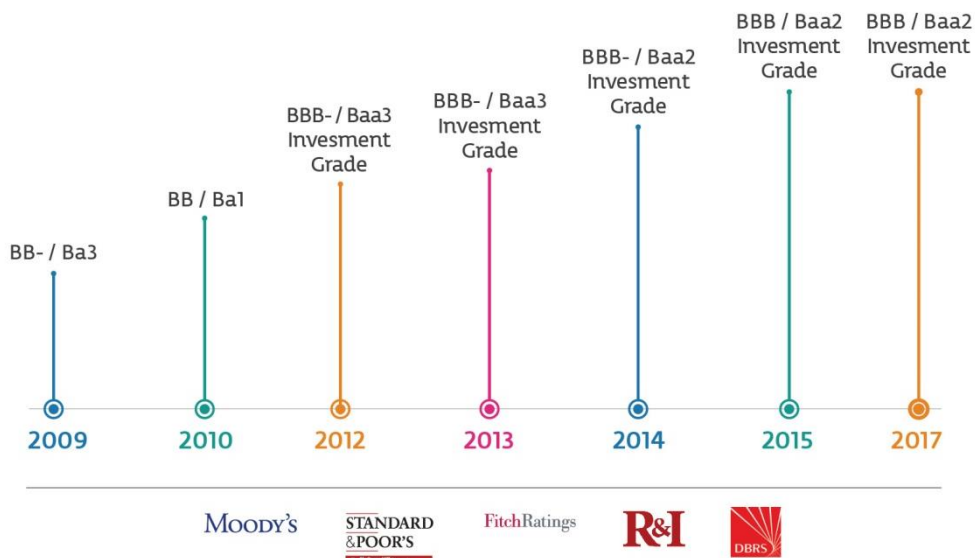


Source: BCU (Spanish acronym)



Source: WEO, IMF, October 2017

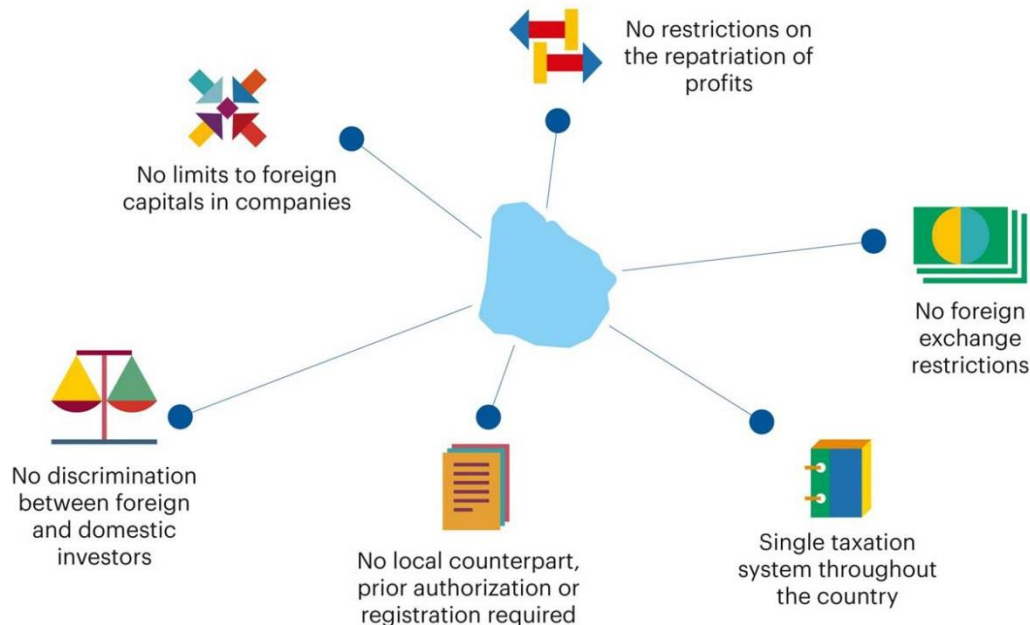
Uruguay is recognized for its orderly management of public debt and for its fiscal stability. The three major credit ratings agencies Fitch (April, 2018), Moody's (July, 2017), and Standard & Poor's (May, 2018) have all ratified the country's **investment grade**. Moreover, the US Department of State has recognized Uruguay as a **fiscally transparent country**.



Source: Standard & Poor's, Moody's, Debt Management Unit of the Ministry of Economy and Finance

Regulatory framework · Easy for Business

By virtue of its investment law, Uruguay guarantees equal treatment for local and foreign investors.



By virtue of its investment law, Uruguay guarantees equal treatment for local and foreign investors.

No prior approval or registration is required to operate in Uruguay, and there are no restrictions on the transfer of capital or profits from investments. Companies can operate in both domestic and foreign currency. Furthermore, there is a single national tax system.

Other tools which enhance the business environment are the Foreign Trade One-Stop-Shop (VUCE, in Spanish), a single platform which manages all the operations and documents related to imports, exports and transit. Furthermore the New Customs Code (CAROU, in Spanish) introduces several innovations regarding to customs, facilitating Uruguay's internationalization.

For further information about these and other utilities, check our Investor's Guide available at <http://www.uruguayxxi.gub.uy/guia/Index.html>

Convenient Distances for Business Centers:



Zonamerica



World Trade Center



Aguada Park



Parque de las Ciencias

Parks under the free zone scheme, such as Zonamerica or The Sciences Park (Parque de las Ciencias), are located five minutes from Carrasco International Airport (free airport) and 30 minutes from the Port of Montevideo (free port).



market access

Easy access to Brazil / Spanish-speaking countries
 Convenient time zone and cultural affinity
 World-class facilities and connectivity

Given the country's location, language, business history, shared culture and trade agreements, Uruguay is an excellent platform to access markets such as Brazil and Spanish-speaking countries.

As a MERCOSUR member and its Free Trade Agreement with Mexico, Uruguay has access to a market of 398 million people, which represents the 76% of Latin America's GDP

Uruguay is well-positioned as a regional business and logistics hub due to its proximity to the wealthiest areas in South America. The country's free zones, free ports and airport, and bonded warehouses are ideal places to set up distribution centers. Moreover, Uruguay's cultural affinity with Europe and North America, similar time zone, and excellent telecommunications infrastructure make the country an ideal nearshore location with those markets.



Punta del Este Port



Transport times

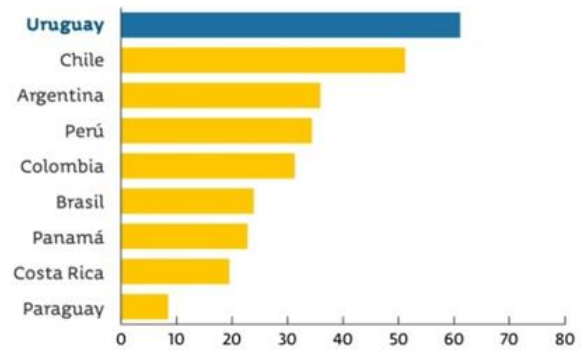


	Airplane	Truck
Buenos Aires	1.00 h	24 hs
Porto Alegre	1.30 h	24 - 48 hs
Río de Janeiro	4.00 h	72 - 96 hs
São Paulo	2.30 h	72 - 96 hs
Asunción	2.00 h	72 - 96 hs
Santiago	2.30 h	72 - 96 hs
Lima	5.00 h	72 - 96 hs

Truck transport time includes average customs time.

A country that empowers the digitalization:

- » **Fiber optic submarine cable Monet:** A new underwater cable jointly developed in 2017 with Google. More than 12,500 Km from US to Uruguay, allowing Uruguay to be an Internet provider to the region and the world.
- » **A Tier III Data Center,** recognized as the Best Data Center Enterprise in Latin America, and able to be a provider of a wide range of solutions focused on the user.
- » Huge infrastructure investments in **fiber optic networks,** with more than 23,000 Km and 77% of households with broadband connections.
- » A well-developed **IT industry** placed at the forefront of technology in the world
- » Uruguay was invited to join the **D7 Group,** the elite group of the most advanced countries worldwide in digital development (Canada, Estonia, Israel, New Zealand, South Korea and United Kingdom).



Moreover, digitalization has been growing for households too, as their Internet access increased from 13% to 83% in 2006-2016 and the digital gap was reduced from 36% to 14%.



talent

Highly skilled and multilingual: Spanish, English, Portuguese
 Competitive, adaptable and committed labor force
 Free, high-quality public education through college

Human Resources in Uruguay are highly competitive due to a combination of several factors: high quality of basic, technical and university training and the flexibility and ease of Uruguayan workers that allows them to adapt to new production processes or technologies. The Uruguayan workforce has been showing a steady increase in its ability to master other languages, in particular English and Portuguese.

- » Uruguay has the highest literacy rate in Latin America: 98%.
- » Free public education is provided from kindergarten to university.
- » 6% of the country's GDP is invested in education
- » 100% of high school students at the age of 15 have already completed at least three years of English and two years of computer science.
- » 60% of University students work and study at the same time.

General	Technician equivalent	Undergraduate Degree (University)
Number of Educational Institutions in the Metropolitan Area	42	36
Total number of enrolled students	31,200	151,000
Total annual number of admissions	Not available	30,310
Total annual number of graduates	Not available	8,560
Life Sciences services related studies		
Enrolled students		26%
Business Services related studies		
Enrolled students		51%
ICT related studies		
Enrolled students		7%

Source: MEC, Education statistical yearbook 2016 (Published 2017)

Languages

English is taught at nearly all public elementary schools and is supported within the Ceibal Plan (One Laptop Per Child Project); most private elementary schools have also incorporated it into their syllabus. Many elementary schools have incorporated Portuguese into their syllabus as well. In both public and private middle and high schools, English teaching is mandatory.

LANGUAGE	READS	WRITES	SPEAKS
English	75%	60%	55%
Portuguese	36%	14%	21%
Others	29%	13%	15%

Source: Uruguay XXI based on university census. UDELAR 2012 (self-perception of students).

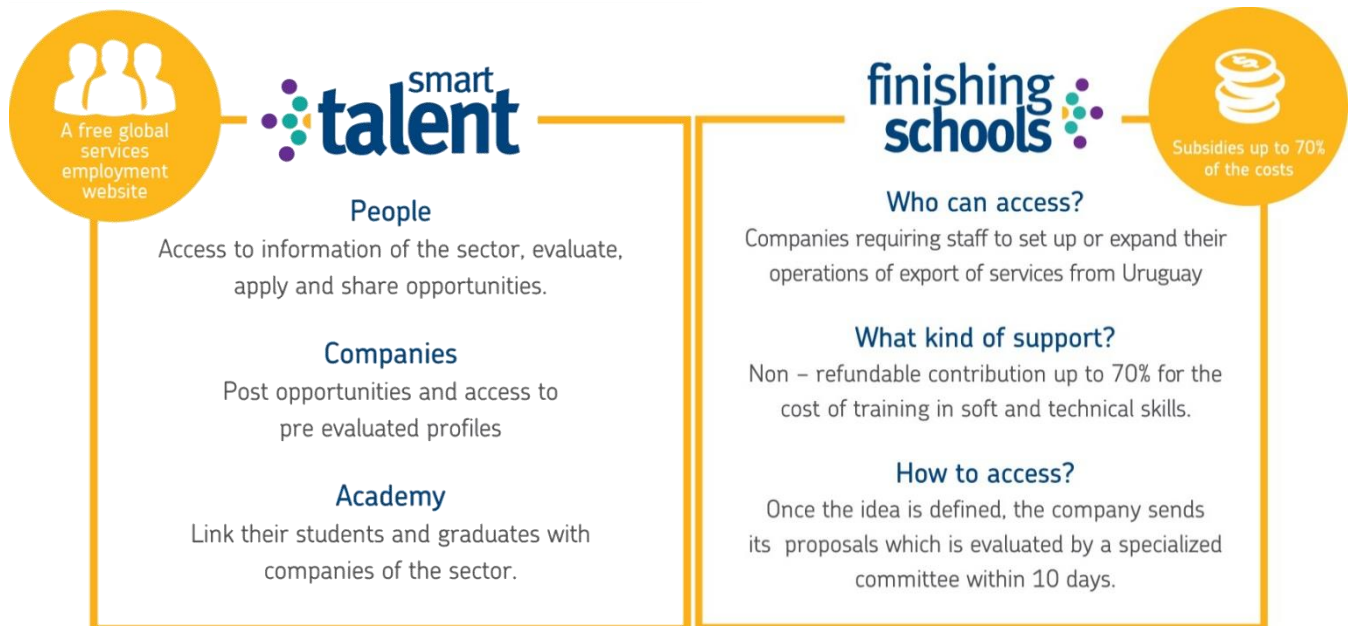
TOEFL Ranking	
Uruguay	1
Costa Rica	2
Argentina	3
Jamaica	4
Bahamas	5
Brazil	6
Mexico	7

Source: TOEFL Test and Score Data Summary (2016)

#1

**TOEFL English
Examination**

Supporting talent development



The **Finishing Schools program subsidizes up to 70%** of job training costs in specific skills required by companies to establish or expand export operations.

Since the program started operating (2012), **138 projects** have been approved, more than **4,500 people** have been trained, and U\$S 4,300,000 has been invested to train employees (from which U\$S 1,100,000 was granted by the program).

Moreover, Uruguay offers Smart Talent, a website to post job opportunities focused on global services which offers tests to measure the registered candidates' knowledge. Through Smart Talent, companies can post their job vacancies and have access to tested profiles without any charge. It also works as a tool to promote the global services industry among young people in Uruguay through a series of awareness activities. The website was launched on March 2015 and today it has more than **300** global services **companies**, **21,000** registered **candidates**, and **24,000** performed **tests**.

Apart from the website, SmartTalent organizes different activities to foster companies' employer brand such as visits to companies, tech workshops and the annual Smart Talent Day. We organize **80** of these activities per year and we are looking forward to working with your company!

Fast-track for Visas and Residences



FAST TRACK

Uruguay provides a fast track for Global Services enterprises when certain employees are needed from abroad. In just 8 days the employees will get their residence. This Fast Track is targeted at foreigners located whether in Uruguay or abroad. For further information, [click here](#).



lifestyle

Relaxing and enjoyable place to live
Vast cultural, educational and health amenities
Friendly and polite people

Uruguay's capital city of Montevideo (1.3 million inhabitants), Punta del Este and other cities offer excellent living conditions for executives and their families, including well-equipped free health services and education. More and more foreigners are choosing Uruguay as their place of residence for all or part of the year, and comparing to other cities from the region, Montevideo has been appointed as the cheapest place to live for expatriates according to Mercer (2017).



Buceo's coastline. Montevideo, Uruguay.

Uruguay ranks as one of the safest countries in Latin America on the Latin Security Index, developed by FTI Consulting for Latin Business Chronicle. The index measures security for multinational executives. According to the 2017 Legatum Prosperity Index, Uruguay is the best place to live in Latin America. The ranking is based on a variety of factors including wealth, economic growth, and quality of life.

#1
**Latin America
Quality of Life**

Quality of living. Mercer (2017)

City	Latin America
Montevideo	1
Buenos Aires	2
Santiago	3
Panama	4
Brasilia	5
Monterrey	6
San Jose	7
Asunción	8
Río de Janeiro	9
Quito	10
San Pablo	11
Lima	12

4. INCENTIVES

Investment law

This regime enables the investor to pay less corporate income and wealth tax (between 20% and 100% of the amount invested). That is to say, for all investment projects under this regime and promoted by the Executive Branch, it is possible to compute as part of the tax payment (IRAE - Corporate Income Tax) between 20% and 100% of the invested amount, depending on the type of project and the score obtained relying on different indicators.

Free trade zone law

Free Zones can be operated by the State or duly authorized private entities. Trade, industrial or service activities are allowed in Free Trade Zones. Moreover, companies in Free Zones can provide services to other countries and, in some cases, to Uruguay.

Benefits granted to companies set up in Free Zones are:

- » **100%** Exemption from Corporate Income Tax (IRAE), Wealth Tax (IP) and any other current or future domestic tax. The State is the guarantor of this exemption.
- » Dividends distributed among shareholders with residence abroad are also tax-exempt in our country.
- » Foreign personnel may choose to contribute to social security in Uruguay or in their country of origin.
- » Sales and purchases of goods and services to and from abroad are VAT exempt. Sales and provision of services within Free Zones are also VAT exempt.
- » Companies may commercialize and provide services to Uruguay as well. In this case there are no tax exemptions for these goods and services provided to Uruguay.
- » Non-resident entities are also Corporate Income Tax exempt regarding activities developed with foreign goods declared in transit or kept within Free Zone, when they are not bound for the national customs territory. They are also Corporate Income Tax exempt when sales bound for the national territory do not exceed 5% of the total disposals of goods in transit or kept within Free Zone.
- » Goods traded by Free Zones with the rest of the world are exempt from customs duties.
- » Service companies may have up to 50% foreign personnel.

Shared service center decree

90% exemption of IRAE and Wealth Tax (IP) applicable to assets for a term of five years provided that:

- » They have created at least 150 new direct qualified jobs by the end of the first three years, which must be kept until the end of the fifth year inclusive. At least 75% of the jobs must be held by Uruguayan citizens (provisional reductions may be authorized).
- » The company implements a Training Plan for Uruguayan employees of an outlay of at least UI (in Indexed Units) 10,000.000 (approximately U\$S 1,200,000) during the aggregate of the first three years.
- » The company carries out new undertakings.

The exemption term shall be of ten years when (i) the minimum number of jobs exceeds 300 by the end of the first five years and are kept until the end of the exemption period; and (ii) the outlay in training exceeds UI 20,000,000 during the first six years.

Trading activities incentives

In terms of trading activities, there is a law that rules a specific framework for the trading of goods or services, as long as they do not enter or aren't provided from Uruguay. The trading services themselves have to be delivered from Uruguay. In that case, 3% of the net profit is considered from Uruguayan source. Over that 3%, the Uruguayan corporate income tax (IRAE 25%) is applicable (Resolution 51/997).

See other incentives:

- » Contact centers incentives
- » Protection of personal data and habeas data remedy
- » Reimbursement of VAT
- » Software industry incentives
- » Free ports and airports
- » Temporary admission - Trade agreements



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