

URUGUAY'S OFFSHORE CORPORATE VEHICLES

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Advantages of Uruguay as an Offshore Jurisdiction

- Reputable jurisdiction
- Foreign income and assets of a Uruguayan Corporate Vehicle are not taxed
- Flexibility
 - Shares may be bearer-type (anonymity)
 - Company does not require more than one director or shareholder
 - Directors and shareholders may be non-Uruguayan
 - Presence of directors and shareholders is not required in Uruguay
 - Purpose may be all-encompassing of any business activity
- Solid banking system with strict secrecy laws
- Free inflow and outflow of capital in any currency

Uruguay's Corporate Vehicles: SAs

- Type of vehicle called “Sociedad Anónima” (SA)
- Capital is divided into shares
- Shares may be bearer shares or nominative shares
- One shareholder may own 100% of the shares
- Bearer shares are transmitted by simple delivery
- No minimum capital required; no maximum capital limit
- Shareholder's liability is limited to the paid-in capital

The SA 's Two Bodies

■ Shareholders' Meeting

- It appoints the Board of Directors and approves the financial statements and the distribution of dividends
- Shareholders may be foreign citizens or entities*
- It must meet once a year, and it may do so by proxies

■ Board of Directors (BOD)

- It may have one or more members (they may be foreign citizens, even entities, and are not required to be shareholders)
- The BOD is the executive body and may have unlimited or limited powers
- It must meet once a year, locally or abroad, and it may do so by proxies

Taxes

- No taxes on foreign assets or income
- No taxes on distribution of dividends
- The only tax due is an annual flat tax (“ICOSA”): USD 400

Obligations of an SA

- Few, simple obligations:
 - Keep accounting books (which don't require periodic recording or filing anywhere)
 - Prepare financial statements once a year
 - Hold a shareholder's meeting once a year
 - File tax forms and pay the annual flat tax (USD 400)

The physical presence in Uruguay of the corporation's owners (shareholders) is not required for any of these activities.

Examples of Offshore Activities by an SA

- Investment vehicle
- Holding company
- Asset-protection vehicle
- Lender
- Trading company
- SPV to securitize assets abroad
- Owner/holder of patents and copyrights
- Vehicle to provide professional or advisory services

Acquiring an SA

- Any person or company, of any nationality, may acquire or incorporate a Uruguayan SA
- One needs to pick a company name and decide who the director will be, and a company is activated instantly

Opening a Bank Account

- Uruguay's Banking system is a solid one:
 - Few banks, all foreign-owned plus one government bank (BROU)
 - Strict Banking Secrecy Laws
 - No history of forced conversion or freezing of deposits

- It's easy to open a bank account:
 - Foreign non-residents can open accounts in any currency
 - No special requirements for foreigners:
 - ID (passport)
 - Proof of Address (utilities bill)
 - Bank reference letter plus local reference, proof of income source



OUR CONTACT INFORMATION

Further Information

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FS Attorneys at Law: Who We Are

- **Leading Full-Service Law Firm:**
 - Clients: mostly foreign companies and individuals
- **Staff:**
 - Bilingual
 - Notaries Public, Attorneys, Tax Advisors
- **Services (covering all of Uruguay):**
 - Full-service legal advice
 - Notary / Legal Assistance in the Purchase Process
 - Tax and Banking Advice
 - Company Incorporation
 - Title Insurance Advice
 - Immigration / Residency

FS Attorneys at Law: Who We Are

- Main office: Rincón 487, Piso 4, Montevideo, Uruguay
- References:
 - World Bank (www.doingbusiness.org)
 - Global law firms: Mayer, Brown, Rowe & Maw; White & Case;
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