



DESPACHANTES DE ADUANAS Y LOGÍSTICA

### Free Zone Regime

In Uruguay, Free Zones are an essential reference point for every business that carries out operations in the Southern Cone, given that they offer outstanding advantages for performing industrial, commercial and service activities.

### Free Zone Characteristics:

- The State monopolies shall not operate in Free Zones.
- The entrance and exit of goods to Free Zones is exempt from all types of taxes.
- Contributions to social security are not exempted, except for foreign staff that can choose not to contribute.
- Retail will not be allowed inside the Free Zones.

### Applicable Law

The promotion and development of Free Zones with the purpose of fostering investments, exports, employment and international economic integration have been declared of national interest since 1987, according to **Law 15.921, amended by Law 19.566 of DEC/08/2017.**

### Benefits

- Exemption of all INCOME TAXES on performed activities
- Exemption on Net Worth Tax
- VAT exemption: For movement of goods and provision of services in the Free Zone
- Users are exempt from all national taxes already existing or to be created
- Unlimited deposit terms

### Origin Regime

#### Decision No. 33/2015 of the Common Market Council (CMC)

This standard facilitates the logistic and increases the benefits in Free Zones for products that come from MERCOSUR or from third countries that have agreements with the bloc. Decision No. 33/2015 of the Common Market Council (CMC), regarding “Free Zones, Processing Zones for Exports and Special Customs Areas” has been adopted by all the Member States of MERCOSUR and came into force on JUL/21/2019. This standard amends Decision No. 8/94 of the CMC that established that Member States should apply the Common External Tariff, or in the cases of exempted products, the current national tariff, for goods coming from commercial free zones, industrial free zones, export processing zones and from special customs areas. Decision 33/15 states an exception for this situation, enabling to benefit from corresponding preferences, both for goods coming from MERCOSUR and **for goods coming from third countries that have commercial agreements with MERCOSUR.** Products stored in



DESPACHANTES DE ADUANAS Y LOGÍSTICA

these areas “...may only be subject to operations destined to ensure the trading, preservation, division into packages or bulks or other operations, provided that the tariff classification and the source of the goods included in the original Certificate of Origin, with which they entered the zones or areas, are not altered”.

### Activities

The following activities may be carried out inside the Free Zones:

- Commercial
- Industrial
- Services

As general rule, Free Zone users may not carry out industrial, commercial and service activities outside the Free Zones. There are a few exceptions to this rule.