



TRANSNATIONAL TAXATION NETWORK
A WORLD WIDE ORGANIZATION OF INDEPENDENT PROFESSIONAL FIRMS



Law 19.484

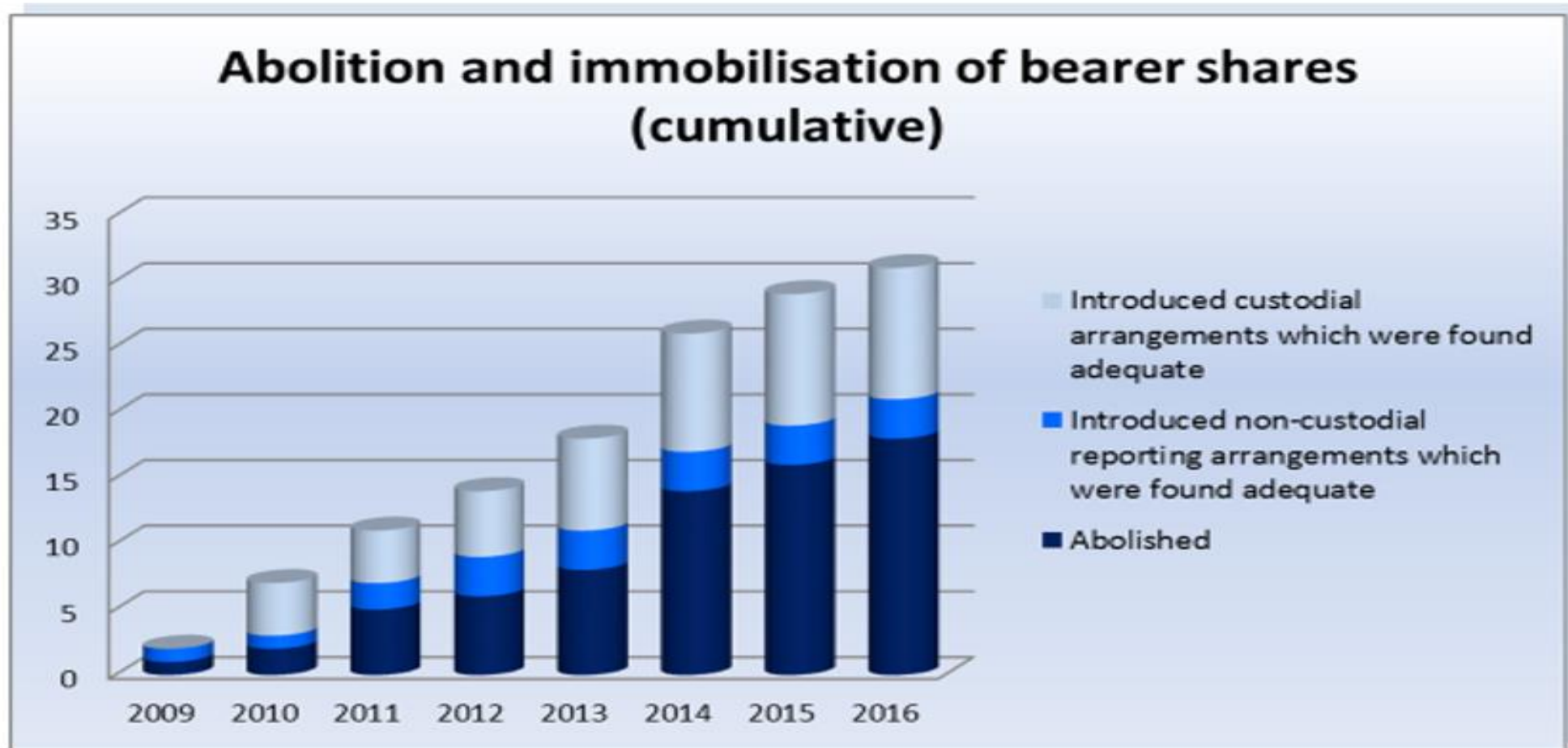
Fiscal Transparency, Prevention of Money Laundering & Terrorism Financing: Highlights and Ultimate Beneficial Owner Rules and Regulations enter into force.

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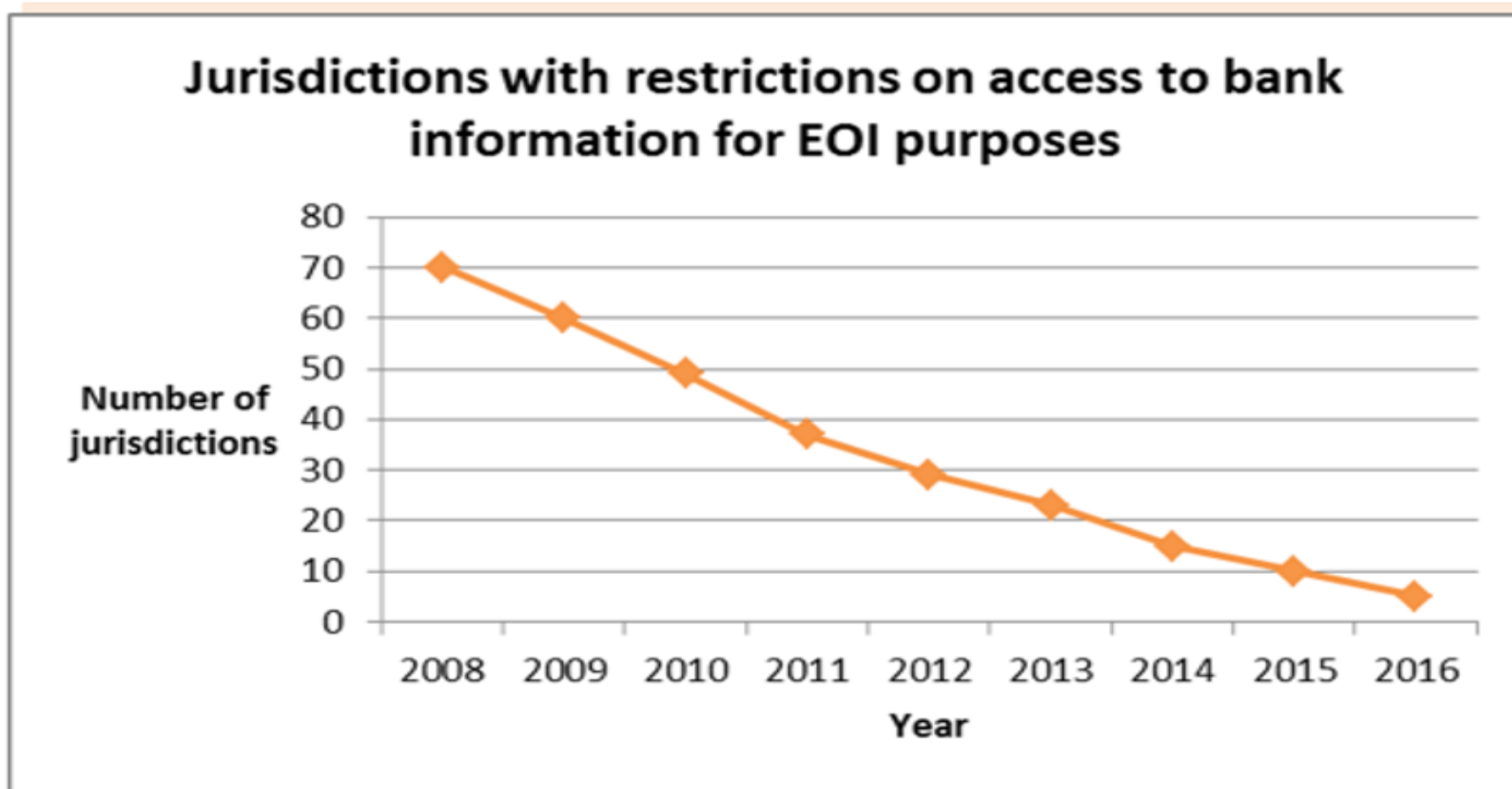
Corpag Services Uruguay S.A.

International Context & the new reality





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- FACTA, CRS, BEPS, CFC rules
- Pressure & guidelines of G20, OECD, FATF...
- Amnesties: Chile, Argentina, Brazil & more Latam countries...
- April 2016 - Disclosure of Beneficial Owners for US single member LLC
- Disclosure of UBO related to CNPJ of foreign entities in Brazil
- Uruguay is not an exception and will converge towards International Standards towards Fiscal Transparency, Prevention of Money Laundering and Terrorism Financing
- Uruguay's law takes GAFI recommendations 24 & 25

Uruguayan recent measures & some figures

- 2005: Creation of Register of Directors
- 2007: Income Tax on Individuals
- 2010: Abolition of the Uruguayan SAFI
- 2012: Law 18.930/Reg. 247/2012 – Information to BCU on holder of Uruguayan bearer shares
- 2015: New TIEA (<http://www.dgi.gub.uy/wdgi/page?2,principal,ConveniosInternacionales,O,es,0,>)
- 2016: Law 19.484
- 2017: list of BONT jurisdictions
Reg. 166/017 – Identification of Ultimate Beneficial Owner
- *Pipeline: Tax Fraud as Money Laundering preceding; changes/amendments in new Free Zone law... and more !!!*

Chapters of the new Law

- Chapter I - The obligation to automatically provide information of balances and income of financial origin to the Tax Administration (DGI).
- Chapter II. Identifying the Ultimate Beneficial Owner (UBO) & Nominee Holders.
- Chapter III. The determination of new norms and tax rates applicable to Entities Residing in Countries or Jurisdictions of Low or Null Taxation (BONT) or benefiting from a special BONT regime.
- Chapter IV. Adjustments to the regime of Transfer Pricing related to Uruguay Income Rent of Economic activities

Uruguayan figures related to entities

- 140.000 bearer shares SA were identified
- 27.000 SA were registered before BCU
- 6.000 Uruguayan SA reported with other entities as direct shareholders
- 100.000 entities in process of liquidation/disolution
- 14.000 amendments of MM&AA from beares shares to nominee shares
- Massive migration of real estate in name of entities located in a BONT jurisdiction due to an increase in tax burden: re-domiciliation, sale, adjudication with a special regime (until June 30, 2017) with tax exemptions

Definition & Regulations related to Beneficial Owners

- **Definition of Beneficial Owner** (uy): physical person directly or indirectly owns/controls minimum of 15 % of capital or equivalent, or voting rights or in any other way holds financial control of a legal structure (including shareholder agreements or any chain of ownership); this provision has exceeded the international standards !!!
- Identification is to be done unequivocally and based on documentation that proves it truthfully; the company must also take measures to identify their Final Beneficiary and keep the information updated.
- Back up support documentation must be kept at the entity's address, in the same conditions as social books, for a period of 5 years.

Regulations related to Beneficial Owners

- Obligation to **identify the Final Beneficiary**
- Obligation to **register the Final Beneficiary before the Central Bank of Uruguay (“BCU”)**
- Deadline dates:
 - was 60 days as of August 1, 2017 (bearer shares)
 - 29 June 2018 for nominee SA and other entities
 - Before 30 days after incorporation
- BCU has made **respective forms available to the public for registry purposes** as of August 1, 2017. This registry is additional to the registry of identification of bearer shares holders in which the Company is already registered. A Notary is needed in order to register before the Central Bank the information.

Entities required to identify UBO

- Corporations (Sociedades Anónimas)
- SRL (LLC or Limited partnerships)
- Social and Civil Associations
- Agricultural Corporations
- Others
- **Non resident entities**, or with Permanent Establishment, Local Management for either onshore or offshore activities, assets over USD 320,000 (aprox), Mutual Funds or Trusts with either local Administrators or Fiduciary Agents

Data to be reported to BCU & practical considerations

- Name, marital status, spouse details, type of regime regarding assets/real estate, legal address and fiscal address before tax authorities, nationality, fiscal residency (for tax purposes)
- Complete identification in chain of legal structures when applicable
- Percentage of ownership for more than 15 % and with less than 15 %
- Percentage publicly listed in a stock Exchange
- Modification of any data contained in such reporting - except the variation of the nominal value that does not alter the percentage - must be reported by the obligated entity within 30 days of its verification. Special 90 days applicable for cases of non-resident UBO. Eg: divorce, marriage, switch of address, change in assets regime...



Regulations related to Beneficial Owners

Nombre de la S.A: _____

Datos de la Sociedad Anónima		
Domicilio Fiscal y localidad (donde se desarrolla la actividad)		
Domicilio Constituido (donde lleva la administración)		
Sede (Dentro de Montevideo)		
Teléfono para BPS/DGI		
Correo electrónico para BPS/DGI		
Giro		
Impuestos (indicar con una "x")	IRAE/ICOSA/IVA General	<input type="checkbox"/>

Datos de los miembros del directorio			
Nombre Completo			
Profesión - Ocupación			
Documento de Identidad (adjuntar copia legible del mismo)			
	Uruguayo (C.I)	<input type="checkbox"/>	En el caso de pasaporte deberán adjuntar las páginas identificadoras y en uso (con entradas y salidas)
	Extranjero Mercosur (Documento de Identidad + Pasaporte)	<input type="checkbox"/>	
	Extranjero fuera del Mercosur (Pasaporte)	<input type="checkbox"/>	
Cargos (indicar con una "x")	Presidente	<input type="checkbox"/>	Si desean que los miembros del directorio actúen de <i>forma indistinta</i> deberá designarse presidente y vicepresidente o para que la actuación sea <i>conjunta</i> deberán designar directores (mínimo 2)
	Vicepresidente indistintamente	<input type="checkbox"/>	
	Directores	<input type="checkbox"/>	
Estado Civil (nupcias - nombre completo del cónyuge o ex cónyuge)			
Correo electrónico personal			
Teléfono particular			
Dirección particular (adjuntar constancia del mismo)			
Domicilio a estos efectos en Uruguay (Sólo para no residentes)			



Regulations related to Beneficial Owners

Datos de los miembros del directorio			
Nombre Completo			
Profesión - Ocupación			
Documento de Identidad (adjuntar copia legible del mismo)			
	Uruguayo (C.I)		
	Extranjero Mercosur (Documento de Identidad + Pasaporte)		En el caso de pasaporte deberán adjuntar las páginas identificadoras y en uso (con entradas y salidas)
	Extranjero fuera del Mercosur (Pasaporte)		
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	Vicepresidente indistintamente		
	Directores		
Estado Civil (nupcias - nombre completo del cónyuge o ex cónyuge)			
Correo electrónico personal			
Teléfono particular			
Dirección particular (adjuntar constancia del mismo)			
Domicilio a estos efectos en Uruguay (Sólo para no residentes)			



Regulations related to Beneficial Owners

Accionistas Personas Físicas			
Nombre completo			
Documento de Identidad (adjuntar copia legible del mismo)			
Domicilio Particular / País / Localidad (adjuntar constancia del mismo)			
Teléfono			
E-mail			
Estado Civil			
Nombre completo cónyuge			
Documento de Identidad			
Casados	Régimen conyugal común		
	Judicialmente separado de bienes		
	Capitulaciones		
Naturaleza de las acciones	Propia		
	Ganancial		
Porcentaje del paquete accionario que adquiere		%	
Número de identificación ante DGI u otro organismo (indicar con una "x")	NO		En caso afirmativo deberá completar los datos a continuación
	SI		
Número			
Domicilio Fiscal			
Domicilio Constituido			
Coincide el Beneficiario Final con accionista	NO		En caso negativo deberá completar los datos a continuación
	SI		



Regulations related to Beneficial Owners

Beneficiario Final Persona Física.			
Nombre completo			
Documento de Identidad (adjuntar copia legible del mismo)			
Domicilio Particular / País / Localidad (adjuntar constancia del mismo)			
Teléfono			
E-mail			
Estado Civil			
Nombre completo cónyuge			
Documento de Identidad			
Casados	Régimen conyugal común		
	Judicialmente separado de bienes		
	Capitulaciones		
Naturaleza de las acciones	Propia		
	Ganancial		
Porcentaje Accionario.		%	
Número de Identificación ante DGI u otro organismo (indicar con una "x")	NO		En caso afirmativo deberá completar los datos a continuación
	SI		
Número			
Domicilio Fiscal			
Domicilio Constituido			

Importante: La persona o personas que se identifiquen como BENEFICIARIOS FINALES tienen que ser SIEMPRE PERSONAS FISICAS y deben identificar el 100% del capital integrado.



Regulations related to Beneficial Owners

Accionista Persona Jurídica		
Nombre Comercial		
Razón Social		
Teléfono		
E-mail		
Actividad / Giro Comercial		
RUT		
Domicilio Fiscal		
Domicilio Constituido		
Porcentaje del paquete accionario que adquiere		%

Representante		
Nombre completo		
Documento de Identidad (adjuntar copia legible del mismo)		
Domicilio Particular		
Calidad en la que firma (indicar con una "x")	Poderes	
	Presidente	
	Vicepresidente	
	Director	



Regulations related to Beneficial Owners

Detallar nombres completos de los accionistas de la Persona Jurídica y porcentajes accionarios que poseen sobre la misma.	
Nombre completo	
Porcentaje de participación	
Nombre completo	
Porcentaje de participación	
Nombre completo	
Porcentaje de participación	

Regulations related to Beneficial Owners

- **Penalties** for non-compliance with the different obligations include fines, the suspension of tax certificates, prohibition to register acts and legal transactions in public registries, prohibition for the company to pay profits, dividends, rescues, or any other payment of similar nature (and fines in case of doing so).
- The legal or voluntary representatives will be subject to the sanctioning regime for their personal responsibility.
- Law also penalizes to whom prevents the knowledge of the final beneficiary or misleads, declaring or using inappropriate legal forms.
- Amounts of **finances may reach up to USD 250,000 approximately** depending on each case (e.g. fraud, hiding real UBO)

Regulations related to Beneficial Owners

- In addition to the controls in charge of public entities, the Law also required **financial entities and other persons obligated to implement procedures for the prevention of money laundering and financing of terrorism**, to require their clients evidence of the fulfillment of the abovementioned obligations, so it is likely to be required to do so if applicable.
- This obligation is without prejudice to another obligation imposed by the same law, which requires financial institution to communicate certain information to the General Tax Office ("DGI") in respect of "financial accounts subject to reporting obligations" held by residents and non-residents who are "persons subject to communication of information".

Regulations related to Beneficial Owners

- Under the latter, the information of the company could fall under the obligation to inform DGI, who may use it for its collection duties, and also to be referred to competent authorities of foreign States with which Uruguay has agreements or entered in international conventions; in addition, therefore, the company could also be required to provide certain information to this effect, different from the regime described above, which we would suggest evaluating in case it occurs.
- Non-resident entities are also be obliged to identify and register their final beneficiaries and holders of shares, as the case may be.

Regarding Security and Confidentiality of information

- Extreme secrecy, though accessible only to:
 - Tax Authorities DGI
 - National Anti-Money Laundering Secretarial and Financing of Terrorism
 - Financial Analysis and Information Unit of the BCU
 - Board of Transparency and Public Ethics
 - Criminal Justice or competent Justice body when there are resolutions based on cases of alimony obligation.

Thank you for your time and attention

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