

Types of deposits:

Storage, trade, industrial, repair and maintenance, logistics. In a customs warehouse, two or more of the modalities previously mentioned may be used simultaneously.

Public-Private Participation Contract

The following can be held for the development of infrastructure works in the following sectors of activity:

- Road works (including rural roads), railways, ports and airports.
- Works by energy infrastructure.
- Waste disposal and treatment works.
- Infrastructure works including prisons, health centers, education centers, social housing, sports complexes and works of improvement, equipment and urban development.

Temporary admission

It allows the introduction to the market, exempt from taxes, foreign merchandise from outside the national customs territory, provided that it complies with pre-established purposes and requirements. These goods must be exported after having undergone certain transformation, elaboration, repair or value addition, with effective labor employment. Previously authorized, the re-export or nationalization of the merchandise is also admitted, in the state in which they were introduced. Final products must be exported within 18 months.

Tax Refund Law 16492 - Law 19149 - Decree 322/05

In terms of Value Added Tax, there is a special regime by virtue of which exports are exempt from paying it, providing a mechanism that allows the exporter to recover the tax included in their purchase invoices, thus avoiding that such tax affects the cost of the product to be exported. Likewise, there is an indirect tax refund regime, by virtue of which the exporter can recover the internal taxes that make up the cost of the exported product.

Draw-back Law 18184 - Decree 505/009

This regime allows the possibility of claiming the restitution of taxes and levies paid by the importation under the general regime, after the exportation of the corresponding goods. Such imports may not be older than five years from their customs clearance and will be verified by LATU, prior to the authorization of requests to operate in this return regime.

Exports under the draw-back regime must be fulfilled within 18 months from the date of Latu's authorization of the operation.



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Canelon^{es} Advantages

Investment Promotion
Law 16906 – Decree 002/2012
Decree 143/018

- Exemption from the IRAE for an amount between 20% and 100% of the amount invested.
- Exemption from the IP both for movable property of the fixed asset and for civil works.
- Refund of VAT on the purchase of materials and services for movable property of the fixed asset as well as for civil works.
- Exemption from the payment of fees and taxes on the importation of movable property of the fixed asset non-competitive with the national industry.
- Promotion of construction activities and sale of immovable property for permanent housing or sporadic, corresponding to projects of great economic dimension (MEF Decree 487/13-10-2016).

- IRAE – Income tax on economic activities
- IP – Wealth Tax
- VAT – Value Added Tax
- ICOSA – Control tax on public limited companies
- IMESI – Specific Domestic Tax

Free Zones Law 15921

- Exemption from the IRAE
- Exemption from the IP
- Exemption from VAT
- Exemption from ICOSA
- Exemption from all taxes on property, services, goods and raw materials, whatever their origin, introduced or taken from Free Zones

The following are not covered by the above tax exemptions:

- Special social security contributions (for Uruguayan staff).
- Benefits of a pecuniary nature established in favour of non-State persons governed by public law of social security.
- Dividends or profits credited or paid to natural or legal persons domiciled abroad, when they are taxed in the country of the holder's domicile and there is a tax credit in it by the tax paid in the Republic.

COMPONENTS FOR THE QUALIFICATION OF THE INVESTMENT PROJECT DECREE 143/018

Objective	Marks	Weighting
Job creation	0 a 10	0,4
Exports	0 a 10	0,15
Decentralization	0 a 10	0,1
Clean technologies	0 a 10	0,2
Investment in R&D&I	0 a 10	0,25
Sectoral Indicator	0 a 10	0,2
		1,3

Canelon^{es} Competitiveness

Free Port and Airport
Law 16246

Uruguay is the only country in South America that has the logistics combination of port and free airport. Canelones has the geographical advantage of its proximity and fast access roads to these places.

LAW 16246 CHAPTER I – PORT ORGANISATION AND SERVICES

Article 1 – Provision of competitive efficient port services is a main objective for the country development. Port services shall be provided at the commercial ports of the Republic twenty-four hours a day and every day of the year, if its respective demand requires it.

Industrial Parks Law 17547

- Exemption from the IP for seven years, in movable property for their entire lifetime and in civil works for ten years.
- IRAE delimited under Law 16906.
- Early refund of VAT on civil works (Decree 002/012).
- Increase by 15% the score obtained in the matrix of indicators, for companies that have the quality of IP users.
- Tax Credit of employer contributions for jobs increase in the projects, for five years.

Activities Permitted:

- Storage Operations
- Conditioning
- Selection
- Classification
- Fractionation
- Assembled / disassembled
- Handling
- Mixture of goods or raw materials, provided that they are associated with the industrial activities installed in the Park

Main tax benefits for Real Estate Investment.

IRAE: they will enjoy an exemption from IRAE, up to the amount equivalent to:

15% of the eligible investment that has been executed when the investment amount is between **IU 60,000,000 and IU 90,000,000.**

20% of the eligible investment that has been executed when the investment amount is between **IU 90.000.001 and UI 205.000.000**

25% of the eligible investment that has been executed when the investment amount is between **IU* 205.000.001 and IU 287.000.000**

30% of the eligible investment that has been executed when the investment amount is between **IU 287.000.001 and IU 574.000.000**

40% of the eligible investment that has been executed when the investment amount exceed **IU 574,000,000**

The exempted tax may not exceed 100% of the amount actually invested. In each exercise included in the promotional declaration, the exempt IRAE may not exceed 90% of the tax to be paid. The maximum period for the application of the exemption will be 10 (ten) years.

*IU- indexed unit

Canelon^{es} Opportunities

EMPLOYMENT OBJECTIVE

The Employment Training and Work Promotion Unit of the Municipality of Canelones is responsible for promoting full and productive work through its integrated development, as well as development and skills strengthening policies which may be inclusive and sustainable.

It is a component of the Equity Plan of the Prowork Program executed by the Ministry of Labor and Social Security (MTSS, acronym for its name in Spanish) through the National Directorate of Employment (Dinae, acronym for its name in Spanish) and the Network of Public Centers of Employment (CEPE) throughout the country, which provides economic incentives to private companies that opt to hire and / or train workers with certain profiles, which are accredited in contributions to the social security.

Characterísits:

- Age: between 18 and 65 years old.
- Educational level: up to 5th year of incomplete secondary school or its equivalent.
- Be formally unemployed for a period of not less than one year, with difficulties in accessing employment.

Benefits:

- Hiring allowance of up to 60 or 80% of the salary as long as it does not exceed 60% or 80% of two National Minimum Wages (SMN, acronym for its name in Spanish) depending on whether the person hired is male or female, respectively. This subsidy will be granted for a maximum period of 12 months for workers between 18 and 44 years of age and 18 months for workers aged 45 and over.

How many workers can be hired?

- The percentage of persons to be recruited may not exceed 20 percent of the permanent staffing table of the company. Those companies with up to nine workers may hire, through the program, a maximum of two people.
- The contracting limit may be modified, with the prior authorization of the MTSS (Ministry of Labour and Social Security, acronym for its name in Spanish), in the case of expanding companies or within the period of setting up and creation of job opportunities.

Canelon^{es} Infrastructure

Customs Warehouses
Decree 99/015

Fenced, closed or open spaces, floating warehouses, and tanks, which are considered a primary customs area, and where imported goods can be stored under the customs warehouse regime.

Goods may also be stored as temporary storage in customs warehouses located in the spaces referred to in paragraphs 2 and 3 of Article 3 of the Customs Code of the Oriental Republic of Uruguay (hereinafter, C.A.R.O.U. acronym for its name in Spanish)) and in those located in other customs primary areas at border points. Imported goods enter and remain in customs warehousing without taxes payment, except from fees, for subsequent inclusion under another customs procedure, re-embarkation, re-export, abandonment or destruction under customs control.