



Uruguay

WTS Global Country TP Guide

Last Update: December 2017

1. Legal Basis	
Is there a legal requirement to prepare TP documentation?	Yes
Since when does a TP documentation requirement exist in your country?	2007
Are TP policies of multinational enterprises in principle accepted by the tax authorities, if they are in line with the OECD TP Guidelines?	No. The OECD Transfer Pricing Guidelines do not represent a binding law in Uruguay. While there are certain differences between the OECD Transfer Pricing Guidelines and Uruguay transfer pricing rules and practices, Uruguayan tax authorities generally tend to use the OECD Transfer Pricing Guidelines for interpretative references.
Does your country apply the arm's length standard?	Yes
Which TP methods may be applied?	Same OECD methods (for commodities CUP is mandatory considering quotations in transparent and public markets).
Are any TP methods preferred over others?	Best method approach
Have the documentation requirements of OECD BEPS Action 13 already been implemented (i.e. the LF, MF and CbCR concepts)?	CbCR and MF implemented, Local variation of LF in place.
Reference to documentation and statements of local-government or tax authorities regarding OECD BEPS implementation status	Law 19,484 Articles 66 - 67 introduced requirements regarding Master File and CbCR.
Reference to relevant articles of law, legislative regulation or applicable administrative guidance that are in place for TP documentation in general	Title 4 of "Texto Ordenado" 1996, articles 38 to 46 (as amended by Law 18,083 of 27/12/2006 and Law 19,484). Decree 56/009 and Tax Authority Resolution N° 2084/009.
2. Master File (MF)	
What is the (consolidated revenue) threshold requirement for the obligation to prepare a MF?	Further regulation is required. The tax authority may request the Master File but no threshold has yet been set
As from which year does this obligation exist?	2017
When does the Master File need to be available?	Further regulation is required.
When does it need to be submitted?	Further regulation is required.
What are the possible consequences of not having the MF available?	
Penalties?	Yes
To which extent do the local rules differ from the OECD standard regarding the OECD content requirements for the MF as shown in the BEPS implementation overview chart?	Consistent with OECD standard.

3. Local File (LF)	Yes
What is the threshold requirement for the obligation to prepare a LF?	LF in line with OECD BEPS 13 has not been implemented. Answers relate to local transfer pricing documentation requirements. Cross-border transactions with related parties greater than USD 6 Million approximately (threshold is of Indexed Units 50,000,000 which is equivalent to approximately USD 6 Million)
Euro Equivalent	EUR 6,000,000
As from which year does this obligation exist?	The local file is prepared for the fiscal year in which the threshold is met.
When does the LF need to be available?	Within the ninth month following the end of the fiscal year.
When does the LF need to be submitted?	Within the ninth month following the end of the fiscal year.
How and where should the LF be filed?	It needs to be actively filed to the Tax Authorities.
Does the LF have to be prepared in the relevant local language?	Yes
Or is documentation in English permissible?	No
What are the possible consequences of not having the LF available?	
Penalties?	Yes
To which extent do local rules differ from the OECD standard regarding the OECD content requirements for the LF as shown in the 2017 OECD TP Guidelines?	Consistent with OECD standard.

4. Country-by-Country Reporting	Yes
What is the threshold requirement for the obligation to prepare Country-by-Country Reporting?	To be determined by further regulation but is expected to be in line with international standards (EUR 750 million)
As from which year does this CbCR obligation exist?	2017. The CbCR is prepared for the year in which the threshold is met
When and how do the tax authorities need to be notified who the reporting entity is?	The country-by-country report will not be required when the parent company of the group or a designated company has submitted that report in another country and through the mechanisms for the exchange of tax information between countries, Uruguay can "effectively" access that report. In these cases the local entity must declare to the tax authorities which is the company of the group that files said report.
If the reporting entity (ultimate parent or surrogate parent) is in your country, what is the CbCR submission deadline?	Further regulation is required.
Does your country have a requirement that the financial figures of the group need to be aligned with?	No
Does your country have a requirement that the financial years of the group need to be aligned with?	No
Where is the CbCR to be submitted ?	Further regulation is required.
How is the CbCR to be submitted, specifically, is there any prescribed standard?	Further regulation is required.
What are the possible consequences of not having the CbCR available?	
Penalties?	Yes

To which extent do your local rules differ from the OECD standard regarding the content requirements for the CbCR as shown in the 2017 OECD TP Guidelines?	Consistent with OECD standard.
Did your country sign the Multilateral Competent Authority Agreement on the Exchange of CbC Reports ("CbC MCAA")?	Yes
Did your country enter into other information exchange agreements, such as on a bilateral basis?	Yes
Please specify the country involved and date the agreement came into force.	Bilateral agreements for exchange of information and Multilateral Competent Authority Agreement on CRS http://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/exchange-relationships/#d.en.345426 . http://www.oecd.org/ctp/beps/country-by-country-reporting-update-on-exchange-relationships-and-implementation.htm http://www.dgi.gub.uy/wdgi/page?2,principal,ConveniosInternacionales,O,es,0 ,
Can a taxpayer in your country fulfil his CbCR requirement by referring to the reporting entity in the same or another country?	Yes

5. TP disclosure in tax return or transfer pricing specific returns

Does a taxpayer need to disclose information regarding TP documentation in his tax return?	No
When a taxpayer files a tax return for which he understands or should understand that the result reported in that tax return is too low due to incorrect transfer pricing, what could be the legal consequences?	The legal consequence would be penalties for the amount of the tax due arising from the transfer pricing adjustment not included in the tax return (fine of 20% of the tax and surcharges of approximately 1% per month capitalizable quarterly). Not including the transfer pricing adjustment is not per se a tax crime.
What could be the consequences for the tax advisor/accountant/administrator drafting and filing the tax return of a client where that advisor/accountant/administrator understands or should understand that the result reported is too low due to incorrect TP?	Directors and administrators are liable for the tax liabilities of the company.
Does a taxpayer need to file TP-specific returns?	Yes
Please state the filing form number and name.	Form 3001
What would be the filing deadline?	Within the ninth month following the fiscal year end together with the local transfer pricing report.
What would be the penalties for non-compliance?	Fine of up to USD 200,000

6. Benchmarking

Is there any local guidance or requirement with regard to the preparation of a benchmark study?	No
Are there any materiality thresholds that apply for the requirement to have a benchmark study available?	No
Does your country apply the general guidance by the OECD to prepare a new benchmarking search every three years and an update of the financial data of the accepted comparable in year 2 or 3?	No

7. Year-end adjustments

Are year-end adjustments permissible?	Yes
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8. Transfer Pricing Audit and Dispute Resolution Mechanisms

What are currently the main TP areas of scrutiny by the tax authorities in your country?	Transfer pricing audits are relatively new in Uruguay and it is not possible to establish specific areas of scrutiny.
Based on your experience, are joint or multilateral audits initiated and carried out?	No
Does the taxpayer have the option to apply for bilateral or multilateral APAs?	Yes
Are there any restrictions?	APAs apply to 3 years.

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