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Global Tax Alert

News from Americas Tax Center

Uruguay's Executive Power issues Decree establishing modifications to shared service centers regime

On 22 December 2017, the Uruguayan Executive Power issued Decree No. 361/017, making substantial modifications to the shared service centers regime, originally established by Decree No. 251/014. The Decree applies as of 1 January 2018.

The Decree defines shared service centers as entities belonging to a certain multinational group whose main activity is to exclusively render services to related parties in the group that are resident or located in at least 12 countries.

Activities allowed in the shared service centers are no longer required to be used exclusively abroad in order for the centers to take advantage of the tax benefits. From now on, benefits will be granted regardless of where the services are used.

The activities may not include the use of intellectual property rights.

To establish a shared service center, a certain number of jobs must be created. In determining the number of new jobs created by a center, the jobs created at a center as a result of a reduction in job posts in related local entities will not be considered in the calculation.

When a shared service center renders services to local entities, prices and conditions will be adjusted to normal market practices between independent parties, and will be equivalent to agreed prices with related parties abroad.

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