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Exporting to Uruguay

Legal requirements

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This document summarises the laws and regulations applying to products imported into Uruguay, including customs requirements and procedures, import duties, intellectual property, consumer protection and immigration.

There are many opportunities for New Zealand exporters in Uruguay. In recent years, key exports of physical goods include meat, cellulose, dairy products, and beans (mainly soybean), but the potential scope is much broader.

Uruguay is a stable democracy, politically and economically. Uruguay has a higher GDP per capita than the rest of the Latin American countries and is well-known for its developments in software.

Overview

- Uruguay is party to 16 trade agreements with 24 countries (including the MERCOSUR, Mexico, the Southern African Customs Union and India).
- As a rule, there are no restrictions on imports, although licences apply. But some products are specifically prohibited for environmental reasons (e.g. most used vehicles, used tyres and toxic industrial waste) while others are subject to special requirements or authorisation (e.g. food for human consumption, pharmaceutical products for human use and hazardous substances).
- Importers are not required to register or hold special licences, except in specific cases (e.g. importers of medicines).
- There are no regional differences within the country.
- Uruguay has several beneficial systems applying to imports or exports where products are tax exempt or taxes are suspended, such as free trade zones (*zonas francas*), transshipment ports (*puertos libres*) and airports (*aeropuertos libres*) and – on the production side – industrial entrepôts and temporary admissions, being a tax exemption procedure that enables the import of supplies, raw materials, parts, pieces and intermediate products with an exemption of payment of VAT, duties and any other import taxes, provided that these are used in industrial processes and subsequently exported.
- There are also a number of promotional regimes and arrangements to attract investment (e.g. the Law No. 16.906 [Promotional Development Act], which grants exemptions from import, VAT and income taxes for enterprises investing in Uruguay, or setting up a business in Uruguay).



General procedures for importing

Imports are primarily regulated by the Customs Code of Uruguay (CAROU, Law No. 19.276), the Single Import Tax for Import Law (Law No. 14.629), the Decrees on import tax rates and the rules issued by the Uruguayan customs authority (*Dirección Nacional de Aduanas* or DNA).

Importers must have a Uruguayan Tax-ID number (*Registro Único Tributario*) and a Tax Good Standing Certificate (*Certificado Único*) issued online, as an individual or as a legal entity, and must declare the goods on arrival via a Customs Broker by filing a customs affidavit form (*Documento Único Aduanero* – DUA) at the DNA's electronic system (*Sistema Lucía*). Uruguay has had an electronic system of affidavits since 1994. Payment of taxes must be by banking wire transfers.

Custom Brokers must be used in Uruguay under the CAROU and must be granted a Power of Attorney to file the DUA before the DNA. They must keep the physical originals of the electronic documents presented on behalf of their clients in the DUA, including the cargo manifest, invoices, packing list, certificate of origin, authorisations or permits for the goods, bill of lading and certificate of insurance.

After processing and clearance, goods may be immediately removed from the customs zone. Alternatively, they can be stored in Customs warehouses for 180 or 360 days (depending on where they entered), and in a Customs deposit DUA for a maximum of five years (extendable) until they are cleared for import.

Special requirements

Additional regulatory approval will be required for some goods (e.g. certain foods for human or animal consumption, pharmaceutical products for human or animal use, or hazardous substances, among others). These may engage specialist agencies, such as the Agriculture General Services Directorate (*Dirección General de Servicios Agrícolas*), the Livestock General Services Directorate (*Dirección General de Servicios Ganaderos*), the National Directorate of Industries (*Dirección Nacional de Industrias*), and the Sanitary Evaluation Area (*Área Evaluación Sanitaria*).

Depending on the product, some approvals may be obtained electronically via the *Ventanilla Única de Comercio Exterior* or VUCE, which is an online service that connects directly with the DNA's *Sistema Lucía*. Others may require testing or quarantine, which must be done in the Customs deposit selected by the importer.

Import duties and fees

Imports into Uruguay are subject to a 0% to 35% customs tariff, calculated on the good's CIF (Cost, Insurance and Freight) value; a Consular Tax of 5%, a 22% Value Added Tax (VAT) and 10% of VAT Advances, as well as some minor service taxes and fees. VAT and VAT Advances can be used as a tax credit in future sales of goods in Uruguay.

Special additional advances apply to some goods. These are paid either with the final tax on sale (e.g. wines, other alcoholic drinks and cars), or on the final tax on income (e.g. clothing). The taxable base in these cases is the sum of the relevant product's CIF value and the applicable customs tariff.

Uruguay has approved all agreements of the GATT Uruguay Round on subsidies and valuation. Valuation of goods for customs purposes must be carried out in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (GATT 1994). This generally relies on the goods "transaction value", being the amount set forth in the relevant invoice. The DNA is authorised to challenge the amounts invoiced where it has reasonable grounds to do so, in which case a new value will be determined pursuant to GATT 1994. Please note that the DUA always includes a section to determine if there are factors that may affect the transaction value.



Penalties

Customs regulations in Uruguay provide for two types of breaches.

Administrative offences

Administrative offences relate to all defaults in compliance with applicable regulations, ranging from misstatements and procedural errors in the filing of documents with the DNA to custom fraud and smuggling.

Fines can be up to twice the owed taxes plus interest. For serious infractions, e.g., fraud or smuggling, there may also be civil forfeiture of both the goods and the means of transport used for committing the offence.

Corporations and individuals can be subject to administrative offences.

Criminal offences

The CAROU regulates the crimes contraband and customs fraud.

Contraband covers goods entering or leaving the country without the permits or procedures required by Uruguayan law and with the intent of defrauding the State of applicable taxes.

Customs fraud covers avoidance or underpayment of customs duties and taxes or deliberately filing false statements in the affidavits with the DNA related to the characteristics and/or price of the goods.

Penalties include imprisonment from 90 days to six years. There are no criminal offences for corporations.

- the Uruguayan Copyrights' Registry of the National Library of Uruguay for copyrights (www.bibna.gub.uy/registro-derechos-de-autor/)
- NIC Uruguay of the University of the Republic, the entity in charge of the .UY Domain Name Registry for commerce and organizations (RAU – *Registro de dominios* UY (www.nic.uy), and
- AGESIC, the entity in charge of the .UY Domain Name Registry for government and the army (www.dominios.gub.uy).

Consumer protection and fair trading

Consumer Protection Act (CPA, Law No. 17.250) governs the relationship between suppliers and consumers.

The CPA gives consumers several rights, including:

- the free election of goods and services
- the right to receive truthful and timely information related to the offered goods and services, their price, contract conditions and other relevant characteristics
- the right to receive all information by suppliers of goods and services in Spanish, as well as having spare parts and repairs for the bought goods and services
- the right to safe use of goods and services
- the protection of health and environment, and
- the right to be indemnified for all damages, material and non-material, and for pain and suffering.

These rights may not be waived in advance by consumers or suppliers.

Responsibility for administering the CPA sits with the *Área Defensa del Consumidor* (Consumer Protection Area, <https://www.gub.uy/ministerio-economia-finanzas/area-defensa-consumidor>) of the Ministry of Finances. It exercises its authority through regulations (having the capacity to impose fines and regulate very limited prices to the public), studies, investigations, and dispute mediation (acting as a compulsory mediation step before a lawsuit regarding consumer rights).

Protecting your intellectual property rights

Uruguay is a member of several international treaties on intellectual property, including the Berne Convention of 1886, the Montevideo Conventions of 1889, the WIPO Copyright Treaty and Performances and Phonograms Treaty (1997) and the WTO's TRIPS Agreement. Uruguay also participates in the World Intellectual Property Organization (WIPO).

The main authorities concerning intellectual property in Uruguay are:

- The National Directorate of Industrial Property for industrial property rights such as trademarks and patents (www.gub.uy/ministerio-industria-energia-mineria/institucional/estructura-del-organismo/direccion-nacional-propiedad-industrial)



Compliance with Data Protection regulations

The Uruguayan data privacy legal and regulatory framework is mainly composed of Laws Nos. 18.331 and 19.670 (Sections 37 40) and their regulatory Decrees (Nos. 414/009 and 64/020). In addition, data controllers and processors subject to Uruguayan privacy regulations must comply with decisions and guidance issued by the Uruguayan Data Protection Authority (URCDP).

Uruguayan data protection regulations will apply if the data processing is related to the supply of goods or services to inhabitants of Uruguay, even if the data controller or data processor is not established within Uruguay's jurisdiction

For the purposes of determining the aforesaid, elements such as the language, the currency, or the provision of related services in Uruguay (among others) will be taken into consideration.

If subject to these laws, data controllers or data processors must register their databases before the URCDP, and update said records when applicable.

As a rule, data processing activities must be conducted with the data subject's prior consent and in compliance with general principles set forth in Law No. 18.331 (e.g. purpose limitation, data security, data accuracy, etc.).

The URCDP has wide inspection and sanctioning powers and may issue warnings, apply fines or even suspend or cancel databases.

Resolving disputes in Uruguay

Uruguay has an independent and well-respected judicial system based on continental civil law with a hierarchical court structure, running from *Juzgados de Paz* and *Juzgados Letrados*, to Courts of Appeal and the Supreme Court of Justice. Private arbitration is also available.



Visiting Uruguay

New Zealand passport holders do not need a visa to enter Uruguay as tourists or business travellers, and they can stay for up to 90 days. This period is renewable for an additional 90-day period. As a business traveler, New Zealand passport holders may carry out limited business activities such as attending meetings, closing deals, attending seminars, and signing contracts.

Visas

The information on Work Visas is available at the National Migration Directorate and the Ministry of Foreign Affairs website: www.gub.uy/ministerio-relaciones-exteriores/comunicacion/publicaciones/visas-para-ingresar-uruguay.

The applicable consulate is the Uruguayan Consulate in Sydney, Australia.

New Zealand Embassy

The Embassy acts from Argentina. Offices are in Carlos Pellegrini 1427, 5° Floor, Ciudad Autónoma de Buenos Aires, Republic of Argentina. For further information, please visit www.mfat.govt.nz/argentina or contact the embassy to the telephone number +54 11 5070 0700 or embajadanzba@gmail.com.

New Zealand Consulate

There is an honorary consulate in Uruguay. Offices are in Alzaibar 1305/102, Montevideo. For further information, please contact the consulate to the telephone number +598 2916 0900 or rshaw@congresos-rohr.com.

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Every effort has been made to ensure accuracy in this publication. However, the items are necessarily generalised and readers are urged to seek specific advice on particular matters and not rely solely on this text.

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