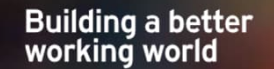


September 2024



No.	Fact	Action
1	<p>2022 Accountability Law (Law No. 20,212)</p> <p>Effective as from 01 January 2024. The Main provisions are as follows:</p> <ul style="list-style-type: none"> Companies that decide to merge or spin off as a result of a group restructuring would not compute the goodwill arising from the transaction for tax purposes if certain conditions are met. The Law includes the following conditions: <ul style="list-style-type: none"> Ultimate Beneficial Owners must hold for 2 years at least 95% of the company's participating interest - i.e. those engaged in the merger or spin-off - begins as from the date of the notification made to the National Internal Audit; The merger or spin-off operation must be executed at book value; In case of non-compliance with the requirements, the statute of limitation will be 10 years starting from the calendar year-end where the non-compliance occurred; and The successor company will be jointly liable for the tax debts arising from the breach. The transfer of participating interests between Uruguayan resident legal entities could be deemed as tax neutral, within the scope of Corporate Income Tax (CIT), provided certain conditions are met (targeting group restructuring operations). Additionally, such operations would not be subject to Value Added Tax (VAT) assessment. Capital gains derived from the transfer of capital participations of legal entities resident for tax purposes in national territory could be exempt, within the scope of Personal Income Tax (PIT), provided certain conditions are met (targeting group restructuring operations). 	<p>Companies should analyze the new rules enacted to identify the potential impacts on its transactions.</p>

Uruguay-Brazil Double Tax Treaty (DTT)

2 The treaty entered into effect as from January 2024.

Uruguayan and Brazilian entities should review the dispositions of the DTT to apply them in their operations from 2024 onwards.

Use text boxes above the timeline to plan your actions for coming months

 *Compliance*

- Risk management

- *Cash-flow and ETR impact*

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