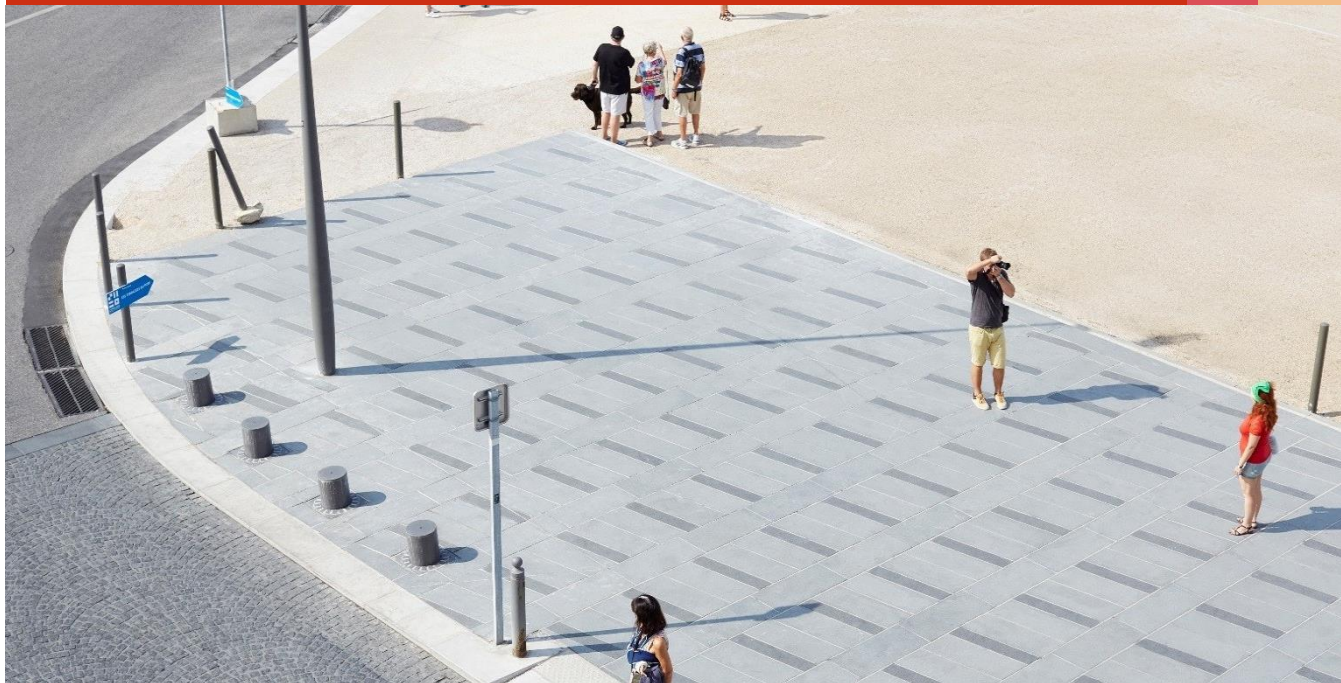


Tax insight

Digital Services

Tax Office Resolution 6409/2018

July 2018



Tax insight

Digital Services - Tax Office Resolution 6409/2018

On July 16th, the Uruguayan Tax Office issued Resolution Nbr. 6409/2018 with certain provisions regarding to the **audiovisual services** (which include production, distribution and intermediation of motion films and other audiovisual transmissions, including those broadcasted via internet technological platforms, software applications, and other similar transmission media), as well as the **edition and intermediation activities** carried out through computerized means.

Law Nbr 19535 established certain tax rules, effective as from January 1st, 2018 referred to the provision of services through the internet, technological platforms, computer applications, or similar.

In addition, on May 2018 the Executive Branch issued Decree Nbr 144/018 regulating of such provisions, which entitled the Tax Office to relieve non residents from the obligation of appointing representatives in Uruguay, and to establish exceptions to the general documentation regime for this type of services.

Documentation formalities

It is established that the documentation issued by non residents (without physical presence in Uruguay) according to the current regulations of their country of residence, and whose sole activity is derived from audiovisual services and mediation and intermediation services will be considered valid for tax purposes provided the non-resident taxpayer is identified and the amount of said services is detailed.

Additionally, it provides that the service suppliers must inform to the beneficiary the VAT corresponding to the operations included. The fulfillment of this requirement will be necessary for purposes of the deduction of the tax by the beneficiary of the services.

VAT Return – Non resident entities

It is provided that non-resident entities have to file an **annual** VAT return, with the same deadlines established for Net Wealth Tax and Non-Residents Income Tax.

Tax insight

Digital Services - Tax Office Resolution 6409/2018

Appointment of representatives

Non residents whose activities are exclusively the provision of services related to audiovisual services and the aforementioned mediation and intermediation services, **may be relieved from the obligation to appoint representatives in Uruguay**, provided they do not have a physical presence in the country and constitute a domicile in Uruguay for tax purposes.

Due date to paying taxes

As taxpayers

They will have until May 2019 to pay VAT and payments on account of IRNR (non residents income tax), corresponding to the months of January to June 2018 (according to the Tax Office due dates calendar).

In the cases of VAT and payments on account of IRNR corresponding to the months of July, August and September 2018, the taxpayers will have until October 2018 to make the payments (according to the Tax Office due dates calendar).

As a withholding agent

The designated withholding agents (IRAE taxpayers, State entities and other entities specifically designated) that pay or certify remunerations from audiovisual services, will have until October 2018 to pay the withholdings corresponding to the months of July, August and September 2018 (according to the Tax Office due dates calendar).

To take into consideration

The Decree Nbr 144/2018 established the obligation to withhold VAT and IRNR as from July 2018. In addition, it suspended the obligation to act as a withholding agent of the referred taxes in relation to mediation and intermediation services.

Contact

Patricia Marques

patricia.marques@uy.pwc.com

Eliana Sartori

eliana.sartori@uy.pwc.com

Carolina Techera

carolina.techera@uy.pwc.com

Montevideo

Cerrito 461, 1st floor
11.000 Montevideo, Uruguay
T: +598 29160463

WTC Free Zone

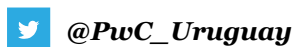
Dr. Luis Bonavita 1294 , 1st floor, Office 106
11.300 Montevideo, Uruguay
T: +598 2626 2306

Zonamerica Business & Technology Park

Ruta 8, km 17.500
Edificio M1, office D
91.600 Montevideo, Uruguay
T: +598 25182828

Punta del Este

Avda. Córdoba y Tailandia
20.000 Maldonado, Uruguay
T: +598 42248804



This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2018 PricewaterhouseCoopers Ltda., PricewaterhouseCoopers, PricewaterhouseCoopers Professional Services Ltda. and PricewaterhouseCoopers Software Ltda. All rights reserved. PwC refers to the Uruguayan member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.