



Ministerio
**de Economía
y Finanzas**

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Guidelines to promote a Mutual Agreement Procedure within the framework of the provisions of the agreements to avoid double taxation and prevent tax evasion signed by Uruguay

May 2024

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1. INTRODUCTION

This document contains general instructions to inform on the steps to follow to initiate a Mutual Agreement Procedure (hereinafter, “MAP”), incorporated in the agreements to avoid double taxation and prevent tax evasion entered into by Uruguay (hereinafter, “Convention” or “Conventions” as appropriate), so that the persons entitled to do so can initiate this procedure before the Competent Authority of Uruguay.



2. MUTUAL AGREEMENT PROCEDURE

2.1. DEFINITION

In accordance with the provisions of the clauses that regulate MAPs incorporated by the Conventions signed by Uruguay, MAPs may be initiated when a person authorized for such purposes considers that the measures adopted by one or both Contracting States imply or may imply a taxation that is not in accordance with the provisions of the applicable Conventions.

The aforementioned MAP is carried out between the competent authorities of the Contracting States, without having to reach an agreement that resolves the case, but acting in good faith and seeking to resolve the case objectively, in accordance with the provisions of the applicable Conventions and by the rules of international law, relating to the interpretation of international treaties.

2.2. APPLICABLE REGULATIONS

The following applicable regulations are identified:

- ✓ Clauses that regulate MAPs, incorporated by the Conventions in force signed by Uruguay;
- ✓ Resolution of the Ministry of Economy and Finance (hereinafter “MEF”) dated September 19, 2013, by which the powers of the MEF as the Competent Authority within the framework of the Conventions are delegated to the General Tax Administration (hereinafter “DGI”);
- ✓ Resolution of the General Tax Administration No. 1135/2024 dated May 27, 2024, which designates authorized representatives within the framework of the Conventions.



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2.3. COMPETENT AUTHORITY

The following have the status of Competent Authority by delegation of powers for the reception, resolution or participation in a MAP:

- ✓ The General Director of the Tax Administration.
- ✓ The Deputy Director General of the General Tax Administration (DGI in Spanish), Director of the Large Taxpayers Division (DGC in Spanish) and Head of the International Taxation Department (DFI in Spanish).



3. CONDITIONS

To initiate a MAP, the following conditions must be considered:

3.1. LEGITIMATION

A request to initiate a MAP (hereinafter “Initiation Request”) may be submitted to the Competent Authority of Uruguay by any person who is a tax resident of Uruguay or a non-resident - when the applicable Convention allows it - who considers that the measures adopted by one or both of the Contracting States involve or may involve taxation not in accordance with the provisions thereof.

If paragraph 1 of the article on Non-Discrimination of the respective Convention is applicable, any person who has Uruguayan nationality may submit the Initiation Request.

3.2. FILING PERIOD

The Initiation Request must be submitted within the stipulated period of 3 years counted from the day following the first notification of the act that causes or is likely to cause a taxation not in accordance with the provisions of the Convention, or within the period stipulated in the Convention, if longer.

3.3. FORMAL REQUIREMENTS

The Initiation Request will be made in writing before the DGI, and must be submitted at the Entrance Desk of said organization.

It must contain, at least the following information:

- i. Identification. Full name or company name, domicile, registration number in the RUT (Single Taxpayer Register) - if applicable - and email of the person submitting the request, as well as all the persons involved in the transactions to be considered.
- ii. Background of the case. Detailed statement of the factual situation that motivates the initiation of the mutual agreement procedure, attaching supporting documentation, if available. If it is documentation written in a foreign language, it must be accompanied by its corresponding public translation.



- iii. Founded request. Technical - legal analysis of taxation not in accordance with the provisions of the applicable Convention.
- iv. Provision of the Convention deemed applicable. Identification of the provisions of the DTA that the appearing party considers are not being correctly interpreted and/or applied by the Uruguayan or foreign tax administrations involved, and submitting the interpretation that in his/her opinion would be in accordance with the law.
- v. Fiscal periods and taxes included. Identification of the fiscal periods and taxes involved.
- vi. Appeals or judicial actions filed. Identification of administrative resources or judicial actions filed by the applicant or by any of the person identified according to item i., as well as any resolution regarding the matter.
- vii. Communication of MAP initiation before another Competent Authority or within the framework of another current instrument. If a MAP has been presented by any of the persons involved before another Competent Authority or within the framework of another current instrument that enables disputes related to the application of the applicable Convention to be resolved, this must be reported. In this case, the status of the filed action must be informed, attaching all existing related documentation.
- viii. Signature. The Initiation Request must be signed by the appearing party or representative, proving - if applicable - the representation invoked.

The information and documentation referred to above will be submitted without prejudice to the additional information that may be required in accordance with the provisions of the following item of this document, as a result of the admissibility control of the Initiation Request submitted, and/or the communications maintained with foreign competent authorities involved.

Said information, as well as any additional information that may be requested, must be submitted with the corresponding public translation when written in a language other than Spanish.



4. ADMISSIBILITY

Upon request to initiate a MAP, an admissibility control of the aforementioned request will be carried out by the DFI, to check:

- i. the legitimation of the applicant;
- ii. that the Competent Authority of Uruguay is the Competent Authority before which it should have been submitted;
- iii. that the Initiation Request was submitted within the filing period established in the applicable Convention;
- iv. that it contains the information required according to paragraphs i) to viii) of item 3.3.

If it is understood that any of the aforementioned conditions is not met, the appearing party will be notified, requesting the same to clarify or complete the Initiation Request as appropriate.

Only submitted Initiation Requests may be declared inadmissible and, therefore, access to a MAP will not be granted, if any of the causes indicated below apply. In all other cases, the submitted Initiated Request must be processed.

4.1. INVOKED AGREEMENT

When the applicable Convention does not have a provision that regulates MAPs or the Initiation Request is not covered by the provisions of the Convention identified as applicable, for example, for reasons of subject matter and/or validity thereof, because it is a question of Domestic Law and not a divergence or discrepancy with respect to the application of the Convention.

4.2. TERM

When the Initiation Request has been submitted outside the filing period stipulated in the applicable Convention.

4.3. LEGITIMATION

When the Initiation Request has been submitted by a person not authorized for such purposes and said omission has not been corrected.



4.4. SUBJECT MATTER RESOLVED

When the Initiation Request refers to a subject matter that has already been the subject of a previous procedure on which a resolution has been issued, raised by the same individual and with respect to the same fiscal period.

4.5. OMISSIONS NOT CORRECTED

When it has been required to correct the information submitted and/or file documentation and/or additional information and the deadline has not been met, or if met, the omission is deemed not to have been corrected, and said non-compliance is definitive.

The resolution will be communicated in all cases to the Competent Authority of the other State involved.



5. MODALITIES

Upon admitting an Initiation Request, analysis should be made on whether the objection raised through it is founded or not, and the MAP to take place can be resolved unilaterally or bilaterally, as appropriate.

5.1. UNILATERAL

The controversy raised will be resolved unilaterally by the Competent Authority of Uruguay, when it is understood that the measures adopted are exclusively attributable to said Competent Authority.

5.2. BILATERAL

The dispute raised will be resolved bilaterally by both Competent Authorities of the State Parties, in those cases in which the resolution of MAPs requires reaching an agreement with the Competent Authority of the other State Party.

In such case, the development of the MAP will be carried out only between the Competent Authorities of the State parties, and the applicant may be called if necessary to clarify, complement or prove any point invoked through the Initiation Request.



6. CONCLUSION

The MAP will conclude due to any of the following reasons:

6.1. WITHDRAWAL

The appearing party may, at any time, withdraw the Initiation Request, filing a written document informing the withdrawal of the claim.

In such case, the MAP will be concluded, affecting only its initiating party and the resolution issued consequently will be notified to the appearing party and communicated to the Competent Authority of the other State involved.

6.2. UNILATERAL RESOLUTION

A unilateral resolution will be issued by the Competent Authority of Uruguay when such Authority considers:

- i. that the taxpayer's objection is not founded;
- ii. that the objection is founded and the challenged taxation is attributable to this Administration.

The resolution issued will be notified to the appearing party and communicated to the Competent Authority of the other Contracting State.

6.3. AGREEMENT

In cases of bilateral resolution, the Competent Authorities will conclude the MAP:

- i. having or not having reached an agreement to eliminate double taxation not in accordance with the applicable Convention, or
- ii. having agreed that the case initiated is not a taxation case not in accordance with the applicable Convention.

The agreement reached by the competent authorities of the Contracting States must be notified to the appearing party.



7. IMPLEMENTATION

The taxpayer may request the implementation of the resolution through a MAP initiated, once notified of the unilateral resolution issued by the Competent Authority of Uruguay, or of the agreement reached between the competent authorities if it has been resolved bilaterally.

If applicable, the Competent Authority of Uruguay must inform the Competent Authority of the other Contracting State how to implement the agreement reached.



8. GENERAL PROVISIONS

8.1. RULES OF PROCEDURE

Provisions of Decree No. 500/991 of September 27, 1991, as well as other concordant, modifying and complementary regulations, will govern any aspects not expressly regulated.

8.2. CONFIDENTIALITY

The confidentiality of the information exchanged between Competent authorities within the framework of a MAP initiated is guaranteed since the confidentiality clauses established in the respective Conventions are applicable, as well as the rules established by the Domestic Law of the States.

8.3. RELATIONSHIP WITH INTERNAL MEANS OF RECOURSE

It is not a prerequisite to submit an Initiation Request to exhaust the administrative and/or judicial means of recourse established in Domestic Law.