



REGISTRY OF
BENEFICIAL
OWNERS,
SHAREHOLDERS
AND OTHER
NOMINATIVE
SECURITIES'
HOLDERS

H&H



Registry of Beneficial Owners,
Shareholders and other Nominative
Securities' holders



What is a Final Beneficial Owner?

- An individual, who directly or indirectly owns at least 15% of the paid in capital, 15% of voting rights, or otherwise exercises final control over a company or reporting entity.
- Final control is construed as the one exercised directly or indirectly through a chain of ownership or through any other effective ways of control.
- The reporting entities must keep at their headquarters documentation to support the information provided regarding their Final Beneficial Owner.

Who needs to know its Final Beneficial Owner?

Residents

- Corporations
- Limited Liability Companies
- Shared Partnership ("*Sociedad en Comandita por Acciones*").
- Corporation and agricultural associations regulated by act 17.777.
- Trusts and Investment Funds.
- *De facto* Partnerships.
- Partnerships ("*Sociedad Colectiva*").
- Simple Partnerships ("*Sociedad en Comandita Simple*").
- Capital and Industry Partnerships.
- Cooperatives.
- Foundations.
- Economic Interest Groups.
- Civil Associations and Civil Organizations ("*Asociaciones Civiles y Sociedades Civiles*")



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Who should register their Final Beneficial Owners?

- Corporations.
- Funds and Investment Funds not regulated by the Uruguayan Central Bank.
- Foundations.
- Economic Interest Groups.
- Shared Partnerships with regards to their shareholder/s.

Should the other companies and business associations register their Final Beneficiary Owners?

The following entities are **not obliged** to report, if all their corporate interest or shares belong to individuals and if they are, concomitantly, the final beneficial owners:

- Limited Liability Companies
 - *De facto* partnerships.
 - Partnerships ("*Sociedad Colectiva*").
 - Simple partnerships ("*Sociedad en Comandita Simple*").
 - Capital and Industry partnerships.
 - Cooperatives.
 - Civil Associations and Civil Organizations (*Asociación Civil y Sociedad Civil*)
 - Shared Partnerships with regards to its shareholder/s.
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- In the case that partners are legal entities or individual partners that do not exercise final control, it will be necessary to report the Final Beneficial Owner/s.
 - Other exceptions derived from the economic size are applicable to Civil Associations, as it will be discussed.

Is this New Regime applicable to Foreign Entities?

Non Residents

The following non-resident entities will be included in this category and will be obliged to report their Final Beneficial Owners:

- Those who act in Uruguay through a Permanent Establishment (branch).
- When there is an effective location of its headquarters for the development of business activities in Uruguay.
- When they have assets located in Uruguay for a value higher than USD 300,000 (2,500,000 IU).
- Trusts and Investment Funds of foreigners whose administrator or trustee reside in Uruguay.

☐ There are some exceptions that it will be discussed below.

Which are the Entities that are not obliged to report their Final Beneficial Owners?

- Personal, agricultural, *the facto* companies or civil organizations and cooperatives, exclusively comprised by natural persons, provided that such persons coincide with their final beneficiaries.
- Companies whose securities are listed on recognized national or international stock exchanges or other public offering procedures, if such securities are immediately available for sale or acquisition, or are owned, directly or indirectly, by companies with similar conditions as those listed above.
- Investment funds and trusts incorporated and registered abroad, whose final beneficial owners are companies listed on prestigious stock exchanges and, failing that, whenever there is an obligation to identify their Final Beneficial Owner in accordance with the rules of said country and are in force with Uruguay Treaties of Exchange of Information that allow their knowledge.
- Condominiums and condominiums created due to matrimonial or concubinage Property, regulated by Act 18.246 (concubinage).

Which are the entities that are not obliged to inform their Final Beneficial Owners?

- Entities dissolved by law under the Act of Regularization of Bearer Share Entities (Act 19.288).
- Non-resident entities that are owners of assets located in the Uruguayan territory, with a value greater than 2,500,000 IU (approximately USD 300,000), which they are only corporate interest in resident entities; credits for imports of goods, exportation advances, dividends or profits to be collected, personal, material and financial services to be collected, leases, commissions and royalties to be collected; loans or placements, including bonds or other securities of any kind, and their profits to be collected.
- Civil Associations with an income of any nature at the close of the fiscal year, equal or less than U.I. 4,000,000 (approximately USD 480,000), or assets that amount to less than U.I. 2,500,000 (approximately USD 300,000), valued according to the valuation criteria applied to corporate income tax.
- Trusts and investment funds supervised by the Uruguayan Central Bank.

Are the Companies in Liquidation obliged to inform their Final Beneficial Owner?

The Companies in Liquidation should **not report** their Final Beneficial Owner if:

- They have submitted official closure by cease of activities to the Fiscal Authority (DGI).
- There is an extinction of the total liabilities and all assets were allocated.
- The totality of shares or securities representing equity units have been cancelled or destroyed.
- The liquidator or administrator have been identified.
- Communication to the tax authority the lifting of the tax secrecy before the Uruguayan Tax Office (DGI) for the sole effect of communicating to the Uruguayan Central Bank Registry.



Registry of Beneficial Owners,
Shareholders and other Owners of
Nominative Securities



How is the Communication of the Final Beneficial Owner and Shareholders of Nominative companies or other Nominative Securities performed?

Communications will be carried out in two stages:

1. Communication by the Final Beneficial Owner and/or Nominee

Shareholders: Final beneficiaries and stockholders of shares or other nominative securities must sign a sworn statement with their personal information, which must be submitted to the legal representative of the company or reporting entity. This statement is made through a form that does not require notarial certification and will be filed with the entity's documentation.

2. Communication by the Obligated Entity: The company or reporting entity, through its legal representative, must sign another sworn statement stating the information received from the Beneficial Owner(s) and stockholders of nominative shares or other nominative securities. The communication is performed through another form, which must be notarized and sent to the Uruguayan Central Bank, by a Public Notary through electronic signature.



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What is the deadline for registration?

Act 19.484 created the Registry of Final Beneficial Owners under the control of the Uruguayan Central Bank.

The deadlines set forth by the regulations that reporting entities must be complied with are:

- a) September 30, 2017**, for companies or other entities with bearer shares, which complied with Act 18.930 of Bearer Shares.
- b) June 30, 2018**, for the rest of the companies and other reporting entities.

What is the procedure to amend the submitted information?

Any modification of the information provided, must be made according to the following deadlines and criteria.

Modifications that do not imply a change in the percentage of corporate interest must be reported within:

- a) 30 days from occurrence for resident entities.
- b) 90 days from the situation that triggers the report for cases in which the final beneficial owners or nominative shares holders are non-residents.

Modifications that modify the percentages of corporate interest must be communicated within:

- a) For residents, 30 days from the act or resolution that triggers the modification.
- b) For cases in which the final beneficial owners or nominative shareholders are non-residents, 90 days from the act or resolution that determines the modification.

What information must be submitted?

Identification of data of the final beneficial owners who directly control the entity:

- Name of the individual.
- Marital status and identification of the spouse, if applicable, and specification of the marital assets regime.
- Real, fiscal and contractual address before the Uruguayan Tax Office, if applicable.
- Nationality.
- Passport or Identity Card number.
- Tax Registry number, if applicable.
- Specify if the Final Beneficial Owner is a Uruguayan resident or a non-resident.

What information must be submitted?

Identification of data of beneficial owners that indirectly control the entity:

In addition to the detailed information for the direct controllers, the indirect beneficiaries must prove the following:

- Composition of the ownership chain, indicating for each individual person, trust, investment fund or any other similar securities or legal structure, in the case of legal entities or other entities:
 - i. Company name and trade name.
 - ii. Date and place of incorporation.
 - iii. Address, place of residence, fiscal domicile and reported to the taxation agency.
 - iv. Tax identification number.

All statements must also have the following information:

- a) Percentage of final beneficial owners equal or in excess of 15% of the paid-in capital or its equivalent, of the voting rights, or that otherwise exercise final control over an entity.
- b) Percentage of individuals or legal entities that do not equal or exceed the aforementioned requirement.
- c) Percentage of those whose final beneficiary owners are unknown.
- d) Percentage of paid-in capital or its equivalent whose holders are listed through national stock exchanges, international exchanges of recognized prestige or other public offer procedures, provided that such securities are available immediately for sale or acquisition in said markets.

What information must be provided in the case of Issuing Entities?

For these cases, in addition to identifying the final beneficial owners, the shareholder/ holder of nominative shares or securities must be identified.

In the case of a reporting individual, he must provide the same information applicable to the final beneficial owners.

If it was an undivided probate and there was no judicial declaration of heirs, the sworn statement should be made by one of them and afterwards by each of the corresponding heirs once it was counted.

In the case of legal entities or other entities:

- a. Corporate name and trade name.
- b. Date and place of incorporation.
- c. Address, place of residence, fiscal domicile and the one reported to the taxation agency.
- d. Tax identification number.



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In these cases, it must be also indicate:

- a) The percentage of corporate interest.
- b) Total face value of the shares issued by the entity.
- c) Custodian Identification.
- d) Place where the shares are deposited.

What are the penalties for non-compliance?

- The fines will be graduated in relation to the economic dimension of the company and the term of the non-compliance.
- It is taken as criterion to determine the amount of the fines the maximum value of the tax crime *Contravention* of section 95 of the Tax Code, with fines ranging from 2 to 100 times that amount.
- The maximum sum amounts to USD 26,000 (approximately in 2017).

Who can access the Registry of Final Beneficial Owners and Stock Holders of Nominative Stock and other Securities?

The data provided to the Uruguayan Central Bank may be sent to the following agencies:

- a)** The Tax Agency, provided that such information is requested after a formal inspection of certain taxable individual, that has been formally initiated for the fulfilment of express and legal requests by the competent authority of a foreign Tax Agency, exclusively in the context of international treaties ratified by Uruguay regarding information exchange or to avoid double taxation, which are in force.
- b)** The National Agency against Money Laundering and Terrorist Financing and the Uruguayan Central Bank's Financial Information and Analysis Unit, in carrying out its tasks.

Who can access the Registry of Final Beneficial Owners and Holders of Nominative Participations?

- c)** The Judiciary Power, based on ruling issued by the Criminal Courts or by Family Courts only when an alimony is at stake.
- d)** The Board of Transparency and Public Ethics provided that such information is requested once a formal action has been initiated within the scope of its competence.
- e)** Other Agencies provided they have the express authorization in writing of the individuals whose data is recorded in the Registry.

For how long and how should the documentation be kept?

- The reporting entities must keep in their domicile the records and the supporting documentation obtained for the identification of the Beneficial owner under the same conditions as those set forth for the corporate books for commercial companies.
- The documentation must be kept for a minimum term of 5 years as from the date it was originally obtained.

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