



## PERMANENT ESTABLISHMENT IN URUGUAY: BRANCH OR SUBSIDIARY?

### DEFINITION OF A PERMANENT ESTABLISHMENT

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A fixed place of business through which the business of a non-resident is wholly or partly carried out. It includes:

- A place of management
- A branch
- An office
- A factory
- A workshop
- A mine, oil and gas well, or any other place of extraction of natural resources

### DEFINITION AND MAIN DIFFERENCES BETWEEN A BRANCH AND A SUBSIDIARY

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A branch means that the non resident is doing business through a permanent establishment.

A subsidiary is when the non resident carries its business through a local company owned by the non resident.

### TAX AND ACCOUNTING OBLIGATIONS

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- Principal taxes
- Income
- Capital tax
- VAT
- The country has conventions on income and on capital with several countries

### REGISTRATION FORMALITIES

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Registration in the tax office and the labor office.

### STANDARD LEGAL OBLIGATIONS AND FORMALITIES FOR A BRANCH

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Almost the same as for a local company.