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**Luxembourg
and
Uruguay**

Convention between the Grand Duchy of Luxembourg and the Oriental Republic of Uruguay for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital (with protocol). Brussels, 10 March 2015

Entry into force: *11 January 2017, in accordance with article 27*

Authentic texts: *English, French and Spanish*

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**Luxembourg
et
Uruguay**

Convention entre le Grand-Duché de Luxembourg et la République orientale de l'Uruguay tendant à éviter les doubles impositions et à prévenir la fraude fiscale en matière d'impôts sur le revenu et sur la fortune (avec protocole). Bruxelles, 10 mars 2015

Entrée en vigueur : *11 janvier 2017, conformément à l'article 27*

Textes authentiques : *anglais, français et espagnol*

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CONVENTION

BETWEEN

THE GRAND DUCHY OF LUXEMBOURG

AND

THE ORIENTAL REPUBLIC OF URUGUAY

FOR THE AVOIDANCE OF DOUBLE TAXATION

AND THE PREVENTION OF FISCAL EVASION

WITH RESPECT TO TAXES ON INCOME

AND ON CAPITAL

The Government of the Grand Duchy of Luxembourg and
the Government of the Oriental Republic of Uruguay

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital,

Have agreed as follows:

CHAPTER I
SCOPE OF THE CONVENTION

Article 1
PERSONS COVERED

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2
TAXES COVERED

1. This Convention shall apply to taxes on income and on capital imposed on behalf of a Contracting State or of its local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income and on capital all taxes imposed on total income, on total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.
3. The existing taxes to which the Convention shall apply are in particular:
 - a) in Luxembourg:
 - (i) the income tax on individuals (l'impôt sur le revenu des personnes physiques);
 - (ii) the corporation tax (l'impôt sur le revenu des collectivités);
 - (iii) the capital tax (l'impôt sur la fortune); and
 - (iv) the communal trade tax (l'impôt commercial communal);(hereinafter referred to as "Luxembourg tax");
 - b) in Uruguay:
 - (i) the tax on business income (Impuesto a las Rentas de las Actividades Económicas -IRAE);
 - (ii) the personal income tax (Impuesto a las Rentas de las Personas Físicas -IRPF);
 - (iii) the non-residents income tax (Impuesto a las Rentas de los No Residentes -IRNR);
 - (iv) the tax for social security assistance (Impuesto de Asistencia a la Seguridad Social -IASS);and
 - (v) the capital tax (Impuesto al Patrimonio -IP); (hereinafter referred to as "Uruguayan tax").

4. The Convention shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have been made in their taxation laws.

CHAPTER II

DEFINITIONS

Article 3

GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires:
 - a) the term "Luxembourg" means the Grand Duchy of Luxembourg and, when used in a geographical sense, means the territory of the Grand Duchy of Luxembourg;
 - b) the term "Uruguay" means the territory of the Oriental Republic of Uruguay, and when used in a geographical sense means the territory on which the tax laws are applied, including the airspace, the maritime areas, under Uruguayan sovereign rights or jurisdiction in accordance with international law and national law;
 - c) the terms "a Contracting State" and "the other Contracting State" means Luxembourg or Uruguay, as the context requires;
 - d) the term "person" includes an individual, a collective investment vehicle, a company and any other body of persons;
 - e) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
 - f) the term "enterprise" applies to the carrying on of any business;
 - g) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - h) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise that has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
 - i) the term "competent authority" means:
 - (i) in Luxembourg, the Minister of Finance or his authorized representative;
 - (ii) in Uruguay, the Minister of Economy and Finance or his authorized representative;
 - j) the term "national", in relation to a Contracting State, means:
 - (i) any individual possessing the nationality or citizenship of that Contracting State; and
 - (ii) any legal person, partnership or association deriving its status as such from the laws in force in that Contracting State;
 - k) the term "business" includes the performance of professional services and of other activities of an independent character.

2. As regards the application of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Convention applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4

RESIDENT

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of incorporation, place of management or any other criterion of a similar nature, and also includes that State and any local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated therein.

2. Where by reason of the provisions of paragraph 1 an individual is a resident of both Contracting States, then his status shall be determined as follows:

- a) he shall be deemed to be a resident only of the State in which he has a permanent home available to him; if he has a permanent home available to him in both States, he shall be deemed to be a resident only of the State with which his personal and economic relations are closer (centre of vital interests);
- b) if the State in which he has his centre of vital interests cannot be determined, or if he has not a permanent home available to him in either State, he shall be deemed to be a resident only of the State in which he has an habitual abode;
- c) if he has an habitual abode in both States or in neither of them, he shall be deemed to be a resident only of the State of which he is a national;
- d) if he is a national of both States or of neither of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

3. Where by reason of the provisions of paragraph 1 a person other than an individual is a resident of both Contracting States, then it shall be deemed to be a resident only of the State in which its place of effective management is situated.

Article 5

PERMANENT ESTABLISHMENT

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business through which the business of an enterprise is wholly or partly carried on.

2. The term "permanent establishment" includes especially:

- a) a place of management;
- b) a branch;
- c) an office;
- d) a factory;
- e) a workshop; and
- f) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources.