

# WORLD TRADE ORGANIZATION

G/SCM/N/71/URY  
21 March 2002

(02-1469)

Committee on Subsidies and  
Countervailing Measures

Original: Spanish

## SUBSIDIES

### New and Complete Notifications Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures

#### URUGUAY

The following communication, dated 27 February 2001, has been received from the Permanent Delegation of Uruguay.

#### Afforestation

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy  
  
Forestry Law.
2. Period covered by the notification  
  
1 January 2000 to 31 December 2001.
3. Policy objective and/or purpose of the subsidy
  - To increase the country's forest cover using low-productivity soils;
  - to expand and upgrade industrial plant and technologies for processing wood from cultivated forests;
  - alleviate the pressure on the country's native forests, and enhance their conservation and sustainable use.
4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Preservation, improvement, expansion and creation of forest resources, development of forest resources, development of forest industries, and development of the forest economy in general.

Law No. 15.939 of 28 December 1987, published in the Official Journal on 9 February 1988.

Regulatory Decree No. 452/988 of 6 July 1988, published in the Official Journal on 14 July 1988.

5. Form of subsidy (i.e. grant, loan, tax concession etc.)

Tax concession, tariff concession, partial refund of planting costs.

6. To whom and how is the subsidy provided (to producers, to exporters, or others; through what mechanism; fixed or fluctuating amount per unit; if the latter, how determined)

Producers who invest in afforestation are entitled to the subsidies, provided they qualify under Forestry Law No. 15.939 and the regulatory decrees. These provisions stipulate, *inter alia*, which soils can be used for afforestation, the types and species to be planted, the need for an afforestation plan approved by the Ministry of Agriculture and Fisheries and the achievement, one year after plantation, of a survival rate exceeding 75 per cent.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation

The amount of the refund of plantation costs in dollars per hectare was reduced from \$179 during the period July 1998 to June 1999 to \$165 during the period July 2000 to June 2001.

Tax exemptions for protective forests (natural or artificial) and producing forests are estimated at about \$9 per hectare per year.

Total expenditure on subsidies has been as follows:

1998	3 674 000 dollars
1999	5 233 000 dollars
2000	1 701 000 dollars

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\*The figure for 2000 is lower than for previous years because of delays in the payment of the subsidy due to budgetary restrictions.

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

Exemptions and other tax benefits established by law apply to all taxes that in future would be levied generically on agricultural enterprises, their owners as such, or their income. They will be applicable for a period of 12 years from the planting of the forests specified in Article 39 of the Law (Article 43).

Moreover, on the proposal of the Ministry of Livestock, Agriculture and Fisheries, the Government may exempt the importation of raw materials needed for the processing of wood produced domestically and of equipment, machinery, utility vehicles and tools needed for the installation and operation of such enterprises from all or part of the following taxes or charges: additional duties and other customs levies, including import tax, port dues and taxes, surcharges, deposits and any other levy on imports, or applied in connection with importation, for a period of 15 years.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s).

Revised and updated statistical data concerning afforested areas and forestry exports for calendar years 1998 and 1999, in terms of physical volume and value, are attached hereto. The statistical data for the year 2000 are still being processed.

# AREAS AFFORESTED UNDER THE PROJECT FOR THE PERIOD 1975-1999 (HECTARES)

Type: *Eucalyptus, Pinus, Salix, Populus and Other*

DEPARTMENT	1975-1980	1981	1982	1983	1984	1985	1986	1987	1988	1999	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL
ARTIGAS	0	0	0	0	0	0	0	0	0	0	0	0	48	46	0	25	18	0	56	0	198
CANELONES	167	70	29	30	11	307	439	297	130	233	310	430	482	518	287	275	91	49	76	27	4,260
CERRO LARGO	86	0	0	0	0	0	0	0	0	0	33	430	1,152	1,972	2,093	1,801	2,573	3,912	4,845	1,948	20,846
COLONIA	131	428	18	0	5	21	0	25	0	116	30	63	189	340	281	90	137	0	0	80	1,953
DURAZNO	1,181	10	15	0	0	180	84	43	115	307	754	1,074	2,518	6,183	3,809	3,678	2,779	3,951	4,099	3,309	34,089
FLORES	144	0	0	0	0	0	0	0	0	0	0	20	116	87	62	0	42	0	0	100	570
FLORIDA	1	0	40	0	0	0	0	0	0	0	102	568	1,291	2,599	3,102	1,501	2,652	3,954	5,573	2,435	23,816
LAVALLEJA	19	0	0	0	0	0	0	0	265	501	619	1,114	2,461	2,681	4,481	5,465	6,722	6,707	7,622	8,251	46,888
MALDONADO	0	0	19	0	0	0	0	0	70	58	151	501	983	1,234	1,555	910	1,339	1,457	1,421	833	10,531
MONTEVIDEO	0	0	0	0	0	0	0	0	0	11	30	22	42	9	0	3	0	0	11	11	137
PAYSANDU	2,614	372	681	565	796	817	803	304	464	1,848	962	3,464	3,723	5,039	4,567	5,418	4,992	8,861	10,456	8,335	66,080
RIO NEGRO	2,163	90	88	59	0	350	45	30	99	410	2,830	5,132	7,051	8,906	11,313	15,849	12,495	4,715	6,465	2,204	80,284
RIVERA	3,662	781	908	599	684	1,194	993	1,707	772	2,289	1,100	1,332	1,013	4,156	3,687	9,395	10,718	14,527	14,726	12,640	88,862
ROCHA	1,414	126	58	17	0	0	0	0	91	0	39	38	471	657	817	183	526	595	2,941	4,535	12,517
SALTO	0	0	0	0	0	0	0	0	0	0	0	10	30	0	0	14	240	22	0	121	437
SAN JOSE	299	25	25	15	15	15	110	2	67	125	134	123	283	704	576	267	132	18	43	0	2,978
SORIANO	68	0	0	0	0	0	0	0	0	277	122	231	1,107	4,066	3,596	4,252	2,825	2,580	1,613	962	21,709
TACUAREMBO	1,844	39	24	36	0	170	132	140	67	382	427	638	2,464	2,580	3,323	6,865	8,663	15,476	15,767	12,594	71,631
TREINTA Y TRES	90	0	0	122	0	0	0	0	0	0	0	0	62	101	530	517	310	1,620	1,401	282	5,036
TOTAL	13,883	1,941	1,904	1,442	1,491	3,052	2,806	2,547	2,141	6,554	7,645	15,190	25,486	41,887	44,068	66,507	57,255	68,446	77,115	68,666	489,825

Source: Forestry Department  
Planning – Studies

Note: (1) Includes area actually afforested and areas zoned for afforestation purposes (roads and buffer zones)

Updated: September 2000

**FORESTRY EXPORTS, BY PRODUCT (PHYSICAL VOLUME)**  
(M3, Tons and Units)

NCM	PRODUCT	UNIT	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
44011 to 06	Wood in the rough (total)	m³	-	-	-	126	-	-	7	-	46,251	113,624	82,568	145,095	149,320	87,987	215,033	467,013	510,306	890,95	632,295	711,316
4401 and 02	Fuel wood, charcoal, sawdust, particles, briquettes, etc.	tons	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.124	3,722
44031	Treated (poles, posts, stakes, etc.)	m³	-	-	-	-	892	1,427	-	-	-	-	-	97	117	-	-	10,268	-	-	9,420	9,064
44032	Untreated, coniferous	m³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	-
44039	Untreated, non-coniferous (for pulp)	m³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	622.875	702.294
4407	Sawn timber (total)	m³	29	30	-	533	1,577	32	-	11	58	68	2,135	2,380	14,799	21,590	28,126	36,458	103,441	64,551	56,649	159,057
44071	Coniferous	m³	-	-	-	3	506	-	-	1	26	36	19	-	1,147	1,650	2,262	2,451	64,197	39,497	20,075	131,451
44079	Non-coniferous	m³	29	30	-	530	1,071	32	-	10	32	32	2,116	2,380	13,652	19,940	25,864	34,007	39,244	25,504	36,574	27,576
4408	Veneer sheets and sheets for plywood	tons	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	8	-	1,816	4,018	397
4412	Plywood	tons	-	-	-	-	-	-	-	9	-	-	-	-	1	-	-	-	-	-	-	-
4410	Particle board	tons	-	-	1	-	-	-	-	283	-	-	-	-	-	-	-	-	-	-	0.160	-
4411	Fibreboard	tons	-	133	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	0.142
4415 to 21	Pallets, etc.	unit	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	322,307	74,412
4701 to 06	Wood pulp	tons	-	-	-	1,037	1,370	-	448	552	518	2,939	1,446	300	1,005	800	700	1,750	64	203	-	-
4707	Waste and scrap of paper or paperboard	tons		-	1,138	340	140	60	840	358	600	520		1,866	145	-	600	3,090	4,585	3,149	3,257	5,434
4801 to 4810	Paper and paperboard	tons	9,450	6,312	5,475	8,469	7,926	7,131	12,938	12,181	11,382	7,332	11,824	21,502	22,213	20,555	19,580	14,843	20,331	31,658	34,797	37,704

Source: Ministry of Livestock, Agriculture and Fisheries (MGAP) – Forestry Department, based on data from the Banco de la Republica Oriental de Uruguay (BOU). Figures for 1980 to 1997 subject to change.

Note: Exports of the following not included:

NCM	PRODUCT	1998	1999
4818	Toilet paper, napkins, etc. (tons)	6,768	4,584
4819	Boxes, bags and other packing containers, of paper or paperboard (tons)	6,982	7,285
4820	Books, pads, exercise books, folders, forms, etc. (tons)	65	131
4821	Labels of all kinds, whether or not printed (tons)	29	63
4823	Other paper, paperboard, cellulose fibre (tons)	4,836	7,434
	Total	18,499	19,497

**FORESTRY EXPORTS, BY PRODUCT (VALUE)**  
(In Thousands of Current Dollars)

NCM	PRODUCT	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
44011 to 06	Wood in the rough (total)	-	-	-	4	-	-	-	-	-1.943	4,510	3,460	5,836	7,346	3,396	7,923	25,001	27,557	34,755	31,568	35,712
4401 and 02	Fuel wood, charcoal, sawdust, particles, briquettes, etc.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.226	93
44031	Treated (poles, posts, stakes, etc.)	-	-	-	-	40	56	-	-		-	-	2	514	n.a.	0	-	-	-	856	855
44032	Untreated, coniferous	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	-
44039	Untreated, non-coniferous (for pulp)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30,712	34,764
4407	Sawn timber (total)	11	12	-	34	105	5	-	5	15	8	210	273	1,690	2,133	3,721	5,511	7,802	7,868	9,051	10,060
44071	Coniferous	-	-	-	4	43	-	-	0	4	5	0	-	51	232	545	770	1,729	4,070	4,333	6,432
44079	Non coniferous	11	12	-	30	82	5	-	5	7	3	210	273	1,639	1,901	3,176	4,741	6,073	3,798	4,718	3,629
4408	Veneer sheets and sheets for plywood	-	-	-	0.1	-	-	-	-	.	-	-	-	-	-	-	3	-	215	499	48
4412	Plywood	-	-	-	-	-	-	-	15		-	-	-	0.1	-	-	-	-	-	-	-
4410	Particle board	-	-	0.1	-	-	-	-	60		-	-	-	-	-	-	-	-	-	0.182	-
4411	Fibreboard	-	61	-	-	-	-	-	-		-	-	-	0.5	-	-	-	-	-	-	0.195
4415 to 21	Pallets, etc.	-	-	-	-	-	-	-	-		-	-	-	-		387	1,510	47	44	334	325
4701 to 06	Wood pulp	-	-	-	378	816	-	204	342	338	1,791	1,004	143	491	369	98	263	724	272	-	-
4707	Waste and scrap of paper or paperboard	-	-	220	39	18	6	112	49	154	56	-	172	25	-	14,540	15,573	20,962	32,529	290	473
4801 to 17	Paper and paperboard	10,368	7,996	4,593	6,646	6,967	5,986	10,037	10,745	10,745	6,366	8,483	16,828	15,832	14,587	-	-	-	-	32,720	31,458
	TOTAL	10,379	8,068	4,813	7,101	7,746	6,053	10,353	11,216	13,190	12,768	13,157	23,283	25,999	20,484	28,889	47,881	57,092	75,683	74,481	78,075

Source: Ministry of Livestock, Agriculture and Fisheries (MGAP) – Forestry Department, based on data from the Banco de la Republica Oriental de Uruguay (BOU). Figures for 1980 to 1997 subject to change.

Note: Exports of the following not included:

NCM	PRODUCT	1998	1999
4818	Toilet paper, napkins, etc. (tons)	14,398	9,064
4819	Boxes, bags and other packing containers, of paper or paperboard (tons)	6,216	5,784
4820	Books, pads, exercise books, folders, forms, etc. (tons)	153	184
4821	Labels of all kinds, whether or not printed (tons)	239	215
4823	Other paper, paperboard, cellulose fibre (tons)	3,229	4,464
	Total	24,256	19,712

Automotive industry

1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

Regulations for enterprises exporting vehicles assembled in the country.

2. Period covered by the notification

1 January 2000 to 31 December 2001.

3. Policy objective and/or purpose of the subsidy

Restructuring of the automotive sector and specialization in market segments for export.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Adoption of measures to facilitate business decisions related to production and investment programmes and in preparation for the common MERCOSUR regime.

Decree 316/92 of 7 July 1992 published in the Official Journal on 25 September 1992.

Decree 583/94 of 30 December 1994.

Decree 340/96 of 23 August 1996 published in the Official Journal on 6 September 1996.

Decree 60/99 of 3 March 1999 published in the Official Journal on 12 March 1999.

Decree 273/99 of 10 September 1999 published in the Official Journal on 20 September 1999.<sup>1</sup>

5. Form of the subsidy (i.e. grant, loan, tax concession, etc.)

Enterprises which export vehicles completed or part-completed in the country, or auto-parts of national origin, may benefit from a customs concession, applicable to the importation of motor vehicles assembled in the place of origin destined for the domestic market, in accordance with the conditions laid down in the above-mentioned regulations, or allocate it for the payment of taxes due to the Directorate-General of Taxation, in accordance with Article 3 of Decree 60/99.

6. To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined)

For every United States dollar of exports (based on the f.o.b. values declared in the relevant customs declarations) imports may be made with a concession of 13 per cent of the TGA (global tariff), applicable to the surcharge element, for new vehicles assembled in the place of origin (based on c.i.f. imports declared to the Banco de la Republica Oriental de Uruguay (BROU)), or payments may be allocated to the Directorate-General of Taxation.

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<sup>1</sup> Decrees 60/99 and 273/99 amended Decree 316/92 and prescribed a tax benefit which is not limited strictly to the importation of vehicles but can also be used for meeting tax obligations.

7. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification for the previous year, or both) is not possible, a full explanation

Thirteen per cent of TGA (global tariff), applicable to the surcharge element, for new vehicles assembled in the place of origin.

8. Duration of the subsidy and/or any other time-limits attached to it, including date of inception/commencement

Decree 60/99 entered into force in 1999 and continues in force by virtue of Decree 273/99.

9. Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying member. To the extent possible, relevant and/or determinable, however, it is desirable that such information includes statistics of production, consumption, imports and exports of the subsidized products(s) or sector(s)

Exports (f.o.b.)	2000	\$177,482,452
	2001	\$176,912,906

Exemptions for industrial automotive products amounted to approximately 10% of the f.o.b. value exported.



**Law No 15939**

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**Article 1**

The preservation, improvement, expansion and creation of forest resources, development of forest resources, development of forest industries, and development of the forest economy in general are declared to be in the national interest. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 2.

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**Article 2**

National forestry policy shall be formulated and implemented by the Ministry of Livestock, Agriculture and Fisheries and shall be basically directed towards the attainment of the objectives of national interest mentioned in the preceding article. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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**Article 3**

The provisions of this Law shall regulate matters relating to forests, parks and forest lands existing within the national territory. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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**Article 4**

A forest is an association of vegetation in which trees of any size, whether or not exploited, predominate and which is capable of producing wood or other forest products and of influencing soil conservation, the hydrological regime or the climate, or which provides shelter or other benefits of national interest. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 17.

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**Article 5**

Forest lands are those which, whether wooded or not:

(A) By virtue of their soil conditions, fitness, climate, location and other characteristics are unsuitable for any other permanent beneficial use or purpose;

(B) Are assigned forest priority by resolution of the Ministry of Livestock, Agriculture and Fisheries because of the suitability of the soil or in the public interest. In this latter case the General Assembly shall be informed. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Articles 17, 44 and 48.

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#### **Article 6**

The Forestry Department of the Ministry of Livestock, Agriculture and Fisheries shall be the body responsible for implementing forestry policy. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 7.

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#### **Article 7**

Without prejudice to the provisions of the preceding Article, the Forestry Department shall have the following special tasks:

- (A) Promote forestry development in all its productive stages by carrying out research and advisory, informational and popularization activities;
- (B) Study and plan the development of the national forest economy, analyze its production costs, prices and markets and take a census of all silvicultural and industrial means of production;
- (C) Encourage and plan afforestation on private and public lands and develop all the activities for which, to that end, this law provides;
- (D) Increase and improve the production and distribution of plants and seeds for afforestation;
- (E) Assist public institutions and private owners of forests with the management of natural woodlands and plantations and their rational exploitation;
- (F) Administer, conserve and utilize the State Forest Lands, in accordance with the provisions of this law;
- (G) Organize the protection of forests against disease, parasites and other destructive influences;
- (H) Coordinate fire prevention measures with the National Fire Service;
- (I) Develop experimentation in the field of forest ecology, forest use and forest industries, in coordination with the activities being undertaken by other institutions in this field;
- (J) Collaborate with the Honorary Forest Council;
- (K) Coordinate with the appropriate State agencies monitoring of the transfer of ownership and transport of forest products, which may be effected using ownership and movement records, in accordance with the regulations. It shall also be authorized to require holders of forest products to make out sworn statements, in accordance with the regulations;
- (L) Coordinate with interested government departments measures to promote forestry within the department. (\*)

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(\*) This Article was implemented by Decrees Nos. 452/988 of 6 July 1988; 23/990 of 23 January 1990; and 330/993 of 14 July 1993.

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#### **Article 8**

Private forests shall be classified according to their purpose as follows:

- (A) Protective, if their main purpose is the conservation of soil, water or other renewable natural resources;
- (B) Producing, if their main purpose is the production of woody or non-woody materials and they are of special national interest by virtue of their location or the type of wood or other forest products that they yield;
- (C) General, if they are neither protective nor producing.

Protective and producing forests shall be so classified by the Forestry Department, on its initiative or at the request of an interested party.

In the latter case, the interested party must submit:

- (A) A detailed report, where the forest to be classified already exists;
- (B) An afforestation plan, where it is a question of creating a protective or producing forest. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

See Articles 10, 30, 39 and 50.

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## **Article 9**

The Forestry Department shall keep registers in which the forests classified as protective or producing shall be recorded. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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## **Article 10**

The Forestry Department shall determine the technical procedures for classifying forests, in accordance with Article 8. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

See Article 21.

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## **Article 11**

The Forestry Department is authorized to carry out the inspections necessary to ensure compliance with this law. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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## **Article 12**

It shall be compulsory to plant protective forests on those lands which so require in order to ensure the proper conservation or recovery of renewable natural resources, whether the said lands be in public or in private ownership. Land for compulsory afforestation shall be so designated by the Executive Power, on the proposal of the Ministry of Livestock, Agriculture and Fisheries, which shall account for its actions to the General Assembly (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

See Articles 13, 15 and 22.

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## **Article 13**

The resolution mentioned in the preceding Article shall determine the conditions of afforestation and the time limits for implementing the afforestation, which shall be eligible for all the tax and financial incentives for which this law provides.

An owner who, finding himself in an Article 12 situation, prefers not to carry out the work may opt to sell the land to third parties or to the State; in the former case, he shall give preference to the occupant. In the case of leased or share-cropping land, the occupant must allow the owner to carry out the afforestation work. If the afforested area exceeds 5% (five per cent) of the total area of the land the rent shall be proportionately reduced, insofar as the area covered by forest cannot be used by the occupant. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Articles 14, 15 and 22.

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#### **Article 14**

The expropriation of lands whose owners fail to carry out the planting within the time limits referred to in the preceding Article is declared to be in the public interest. In this case, subject to compliance with the requirements laid down in Article 32 of the Constitution, the Executive Power, on the proposal of the Ministry of Livestock, Agriculture and Fisheries, may expropriate the land, in whole or in part. The area expropriated shall be incorporated in the State Forest Lands. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Articles 15 and 22.

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#### **Article 15**

Without prejudice to the provisions of the preceding Article, until the planting is carried out or the Executive Power designates the whole of the property or part thereof for expropriation, once the time limits referred to in the first paragraph of Article 13 have expired, the owner shall pay a monthly penalty of 1 o/oo (one thousandth) of the real value of the whole of the property, or the part liable to expropriation, as the case may be, as determined by the Directorate-General of the National Land Registry and State Property Administration. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 22.

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#### **Article 16**

On the proposal of the Ministry of Livestock, Agriculture and Fisheries and subject to a report by the Forestry Department, the Executive Power may amend the resolution establishing compulsory afforestation, if the owner puts forward alternative solutions, whether total or partial, which enable the same results to be achieved under the conditions and within the time limits laid down. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 17**

All forests and forest lands, as defined in Articles 4 and 5, that are owned by the State at the time of promulgation of this Law and those that it may acquire thereafter shall form part of the State Forest Lands, under the protection of the Ministry of Livestock, Agriculture and Fisheries, with the exception of woodlands fringing main roads, which shall remain the responsibility of the Ministry of Transport and Public Works and the surrounding municipalities. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 55.

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#### **Article 18**

The Forestry Department shall provide for their conservation, protection, expansion, improvement and rational use.

This shall not apply to the National Parks of Santa Teresa and San Miguel, which shall continue to be managed and administered by the Honorary Committee for the Restoration and Preservation of the

Fortress of Santa Teresa and Fort San Miguel (Law No 8.172, of 26 December 1927 and Article 12 of Law 12.802, of 30 November 1960).

Where expedient, the Executive Power may assign the management and administration of other parts of the State Forest Lands to public or private non-profit entities. Where national parks are concerned, the general public must be permitted to use them. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 55.

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### **Article 19**

National parks shall be declared to be such by resolution of the Ministry of Livestock, Agriculture and Fisheries, on the proposal of the Forestry Department. National parks shall be used for tourism and recreational, scientific and cultural purposes and may not be exploited, except where necessary to preserve the public-interest use for which they were established.

The remaining revenue forests shall consist, without express declaration, of the portion of the State Forest Lands not in the situation envisaged in the preceding paragraph. They may be exploited only under a management, land use and improvement plan proposed by the Forestry Department, approved by the Ministry of Livestock, Agriculture and Fisheries and implemented by the said Department, whether directly or through contracts with other public or semi-public organizations, private companies or cooperatives. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 55.

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### **Article 20**

The proceeds of the use of forests administered by the Ministry of Livestock, Agriculture and Fisheries shall flow directly into the Forest Fund. That Fund, in its turn, shall finance the afforestation, improvement, management and exploitation activities of the Forestry Department on the State Forest Lands. Such financing shall have priority over loans to individuals. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 55.

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### **Article 21**

The Forestry Department shall identify the forests that form part of the State Forest Lands, even though they may not be protective or producing, and shall maintain special registers for all of them.

The State Forest Lands shall be classified by the Forestry Department, in accordance with the provisions of Article 10, within a period of one year following the date of promulgation of this law, and, where other portions are added in the future, within a period of thirty days of registration. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 55.

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### **Article 22**

Protection of private forests.

- The destruction of protective forests is prohibited.

The destruction of forests shall be considered to mean any operation that does not fit within the plan mentioned in Article 49 and which, intentionally or not, harms the development or viability of the forest. Forests may only be felled after authorization has been obtained and subject to such precautions as deemed necessary by the Forestry Department in each case.

Anyone who destroys a forest in violation of the provisions of the preceding paragraphs shall be obliged to replant it in accordance with the requirements of Articles 12, 13, 14 and 15, without the benefit of the financial advantages afforded by the law. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Articles 40 and 69.

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### **Article 23**

After consulting the Ministry of Livestock, Agriculture and Fisheries and the competent Departmental Governments, the Executive Power shall delimit the areas in which the felling and destruction of protective forests on urban and suburban land shall be prohibited.

Departmental Governments may, with good cause, authorize the partial or total felling of the forests in question, with the precautions they consider appropriate in each case, and require reafforestation of the land where necessary. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 24**

Felling and any other operation that jeopardizes the survival of the indigenous forest shall be prohibited, except in the following cases:

(A) If the product of exploitation is intended for the domestic use and fencing of the rural settlement to which it belongs;

(B) If the Forestry Department has given its authorization on the basis of a technical report which explains why felling is justified and sets out the plans for exploitation to be implemented in each case.  
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(\*) This Article was implemented by Decrees Nos 452/988 of 6 July 1988; 23/990 of 23 January 1990; and 330/993 of 14 July 1993.

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### **Article 25**

The destruction of natural palm groves and any operation that jeopardizes their survival shall be prohibited.

For scientific or public-interest reasons, the Ministry of Livestock, Agriculture and Fisheries, on the proposal of the Forestry Department, may establish regulations for the felling or exploitation of particular forest species or specimens, as well as for the use of the gum, bark, seed, leaves or other parts of native or exotic forest trees. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 26**

Departmental Governments may not authorize building on land designated for compulsory afforestation by the Ministry of Livestock, Agriculture and Fisheries, without the latter's prior authorization, which shall not be given until it has been afforested. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 27**

Protective and producing forests may be expropriated by the National Colonization Institute only in exceptional cases, subject to prior authorization by the Executive Power, if in the public interest. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 28**

If diseases appear in a forest or parasites develop, threatening its survival or that of adjacent forests, anyone aware of the situation must immediately notify the Forestry Department. The owner of the forest must comply with the instructions issued in this connection by the Department.

Every forest owner must take measures to combat pests, vermin and predators that may harm plants, poultry or domestic animals on adjacent properties, complying with the instructions issued in this connection by the Ministry of Livestock, Agriculture and Fisheries through its specialized services.

Forest owners may take advantage of the financing provided for in Article 44 for the purpose of carrying out necessary phytosanitary treatments. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 29**

The Executive Power shall lay down mandatory rules for fire prevention and other forms of forest protection. (\*)

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(\*) This Article was implemented by Decrees Nos. 452/988 of 6 July 1988 and 849/988 of 14 December 1988.

See Article 30.

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#### **Article 30**

Every afforestation, forest management or land use project based on Articles 8 and 49 must provide for a network of firebreaks, which must be kept free of vegetation in accordance with the provisions of this law and the regulations mentioned in the preceding Article.

The owners of forests bordering on railway lines or public highways shall keep free of vegetation strips of land whose width shall be determined by the regulations.

If these obligations are not fulfilled, the Forestry Department may propose the withdrawal of the benefits granted under Articles 39 to 51 of this law .

The Ministry of Transport and Public Works, the Departmental Governments and the State Railways Administration shall be authorized to carry out by themselves, or to contract out to third parties, the clearing of scrub and the construction of firebreaks in areas occupied by highways or railway lines adjacent to forests. (\*)

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(\*) The wording of the last paragraph was determined by Law No 16.002 of 25 November 1988, Article 60. The original text can be viewed in Official Journal No 22.562, of 9 February 1988.

This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 31**

The financing for forest protection work to which Article 44 refers shall extend to the works and elements needed to protect forests against fire, such as: watchtowers, firebreaks, communication equipment, apparatus for signalling and determining risk indicators, together with machines and implements for fighting forest fires.

Financing may also be granted to the associations of interested parties mentioned in Article 32.

Goods imported by interested parties for these purposes shall be eligible for relief under Article 66. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 32**

The Forestry Department shall assist with the establishment and operation of civil associations of forest owners formed to prevent and fight forest fires and forest pests on a collective basis.

The State, through the Ministry of Livestock, Agriculture and Fisheries, may participate in these associations if the forests of the members of one of them are in the vicinity of forests or forest land forming part of the State Forest Lands. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 33**

Anyone aware of the presence of fire in a forest or in its vicinity, or of any breach of the rules of forest protection laid down in the preceding Articles, must report it immediately to the nearest authority.

The government authorities shall take prompt and appropriate steps, in terms of resources and personnel, to organize the extinguishing of forest fires. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 34**

The third paragraph of Article 12 of the Rural Code shall be replaced by the following:

“The distance between posts shall not exceed fifteen metres and the stakes shall be sufficient in number to ensure that they can be placed not more than two metres apart. The posts must be of wood or another material of reasonable durability, natural or acquired, and the stakes and wire must be of good quality. The Executive Power shall determine, after consulting the Forestry Department, which wood or other material can be used for posts”. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 35**

Article 20 of the Rural Code is replaced by the following:

"ARTICLE 20.- No plants or trees may be planted along the dividing line, except with the mutual consent of the adjoining property owners.

If the dividing line is a party wall, planting may be carried out to form espaliers, which may not exceed the height of the wall.

Hedges may be planted at a minimum distance of 1.5 metres from the dividing line, with a maximum height of 2 metres and without the side branches extending beyond the boundary of the property. Fruit trees must be at least 5 metres away from the dividing line.

Protective or replacement screens may not be more than 7 metres high; in this respect the minimum distance specified in the preceding paragraph shall apply, except in the case of screens located on the southern boundary of the land, in which case that distance shall be 10 metres.

Forests of any kind, public or private, shall be situated at a minimum distance of 12 metres from the dividing line. On the south side, the minimum distance shall be 25 metres.

In the circumstances of the preceding paragraph, if the neighbour considers that the plantations, even under the conditions indicated, may harm his property, he shall submit the question to the Forestry Department, which shall determine whether any harm is being done and, if so, fix a minimum distance for the plantation.

In the case of dividing lines with public roads, there shall be no planting, of any kind, within 5 metres of the dividing line". (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 36**

Forests and forest land forming part of the State Forest Lands shall be subject to the protective regulations mentioned in the preceding chapter, where applicable.

Without prejudice to the provisions of these regulations, in forests and forest lands forming part of the State Forest Lands, the Forestry Department may:

- (A) Temporarily prohibit movement when climatic or other factors place conservation at risk;
- (B) Prohibit permanent occupation or settlement by private individuals;
- (C) Prohibit the exploitation and total or partial felling of isolated trees and shrubs of any size or age;
- (D) Prohibit, totally or partially, the use of crops of any product, apart from wood, when advisable in order to conserve or protect natural resources;
- (E) Prohibit grazing by domestic animals, establishing, where authorized, the terms of payment, the number and kinds of animals that can be introduced, and the area and boundaries of the concession.

The proceeds of any concession to private individuals on land forming part of the State Forest Lands shall be paid into the Forest Fund. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

See Article 37.

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### **Article 37**

Anyone failing to comply with the protective provisions of the preceding Article shall compensate the Revenue for any consequent damage, direct or indirect, to the State Forest Lands.

This compensation shall be paid into the Forest Fund.

The payment of compensation shall not exempt the person responsible from the other sanctions for which this law, the Civil Code and the Rural Code provide. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

See Article 52 (D).

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### **Article 38**

The Ministry of Livestock, Agriculture and Fisheries may invest up to 5% (five per cent) of the annual income of the Forest Fund in fire prevention and in the organization and maintenance of a forest guard service to keep constant watch over the State Forest Lands. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 39**

Man-made forests, whether existing or to be planted in the future, declared protective under Article 8, producing forests in areas declared as having priority for forestry, and natural forests declared protective under the aforementioned Article, together with the land occupied by or directly allocated to them, shall be eligible for the following tax concessions:

(1) They shall be exempt from all national tax on rural real estate and from rural property tax;

(2) Their respective values and areas shall not be calculated for determining: (a) income for the purpose of assessing the tax on notional farm income (IMAGRO or other taxes introduced in the future for similar reasons), and (b) the tax base for assessing patrimony tax;

(3) Income from the exploitation of forests shall not be calculated for the purpose of determining income subject to agricultural income tax (IRA or other taxes introduced in the future for similar reasons).

(4) Income from their exploitation shall not be calculated for the purpose of assessing industrial and commercial income tax (IRIC), or other taxes which may be introduced in the future for similar reasons, on taxpayers engaged in agricultural and industrial activities if all or part of the proceeds of the agricultural activity constitutes an input for the industrial activity. (\*)

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(\*) Item (4) was incorporated by Law No 16.002 of 25 November 1988, Article 90.

This legislation was implemented by Decrees Nos 452/988 of 6 July 1988 and 247/989 of 24 May 1989.

See Articles 40, 43, 50 and 68.

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### **Article 40**

The tax concessions specified in the preceding Article shall be suspended from the moment that, for any reason, the forest is destroyed.

If the destruction was partial, the above-mentioned concessions shall continue to apply to the part of the forest that remains.

If the destruction of the forest, whether total or partial, was caused deliberately or due to gross negligence and if responsibility lies with the owner, the administration shall impose penalties for late payment from the time that tax was deferred under the preceding Article, without prejudice to the provisions of Article 22 and Title VII. (\*)

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(\*) This Article was implemented by Decrees Nos 452/988 of 6 July 1988 and 247/989 of 24 May 1989.

See Article 68.

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#### **Article 41**

The value of the land and that of the plantations shall be determined separately for valuation and appraisal purposes. (\*)

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(\*) This Article was implemented by Decrees Nos 452/988 of 6 July 1988 and 247/989 of 24 May 1989.

See Article 68.

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#### **Article 42**

Each year, the Ministry of Livestock, Agriculture and Fisheries, on the proposal of the Forestry Department, shall establish the notional costs of afforestation and maintenance. (\*)

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(\*) This Article was implemented by Decrees Nos. 452/988 of 6 July 1988 and 247/989 of 24 May 1989.

See Article 68.

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#### **Article 43**

The exemptions and other tax concessions for which this law provides shall extend to all taxes which may in future be generically levied on agricultural enterprises, on their owners as such or on their income. They shall apply for a period of twelve years from the planting of the forests, in accordance with Article 39 of this law. (\*)

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(\*) This Article was implemented by Decrees Nos 452/988 of 6 July 1988 and 247/989 of 24 May 1989.

See Article 68.

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#### **Article 44**

The financing for which this chapter provides shall be drawn from the Forest Fund described in Chapter III of this title.

This financing shall be granted by the administration of the Fund for afforestation, natural regeneration of the forest, and forest management and protection.

Afforestation shall be deemed to include the establishment and development of forest nurseries.

Financing for existing afforestation shall be granted in accordance with its degree of development. Afforestation projects may receive financing provided they have been approved and graded as protective or producing.

The planting of forests on the land referred to in Article 5 of this law may receive financing from the resources of the Forest Fund to cover the direct investment, calculated in accordance with the notional cost of each phase of planting, excluding the value of the land, under the conditions laid down in the regulations. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Articles 45 and 68.

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#### **Article 45**

The Forestry Department shall exercise technical control over forest nurseries that benefit from financing under the preceding Article, whether intended for own use or for profit. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 68.

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#### **Article 46**

In the case of forests created using financing provided under the forest legislation, the beneficiary and subsequent owners of the forest shall be jointly and severally responsible for the implementation of the respective afforestation project and management and exploitation plan. They shall therefore be subject to the application of the sanctions for which this law provides, as well as those laid down in the tax offence legislation in force.

They shall be released from this responsibility if, before the new owner takes possession of the forest, the Forestry Department finds that the afforestation and management plans have been correctly implemented. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 68.

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#### **Article 47**

If the total or partial destruction of a forest that has benefited from financing under this chapter was deliberate or the result of gross negligence and if responsibility lies with the beneficiary, the Administration shall require repayment of the financing granted, including an adjustment in accordance with the notional cost determined by the Executive Power, with authority to apply the sanctions for which Title VII of this law provides.

The amount shall be repaid within one year of the destruction of the forest and in proportion to the area affected.

If the Forestry Department determines that the destruction cannot be attributed, directly or indirectly, to the beneficiary of the financing, it may grant a reasonable period for replanting or, failing that, for the refunding of the benefits received, adjusted in accordance with the cost determined by the Executive Power. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 68.

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#### **Article 48**

Financing requested for planting on forest lands which meet all the conditions of subparagraphs (A) and (B) of Article 5 shall be given priority. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 68.

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#### **Article 49**

To benefit from the tax concessions and financing for which this title provides, interested parties must submit a management and organization plan for the forest exploitation and regeneration work. This plan must be approved by the Forestry Department, which shall require it to be signed by an agronomist or forestry expert from the Forestry College of the Technical and Vocational Education Council. (\*)

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(\*) This Article was implemented by Decrees Nos 452/988 of 6 July 1988 and 247/989 of 24 May 1989.  
See Article 68.

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#### **Article 50**

Persons liable for the Agricultural Activities Tax (IMAGRO), Agricultural Income Tax (IRA) and Industrial and Commercial Income Tax (IRIC), mentioned in subparagraph (4) of Article 39, or other taxes which, for similar reasons, may be introduced in the future, may deduct from the amount payable in respect of these taxes a percentage of the cost of planting man-made forests designated protective or producing, in areas that have been assigned forest priority, in accordance with Article 8 of this law. (\*)

This provision shall be implemented as from the entry into force of Law 15.939, of 28 December 1987.

The Executive Power shall regulate the conditions on which this concession shall be granted. For this purpose, it shall take into account the value established for the notional cost of afforestation and maintenance.

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(\*) The wording of the first subparagraph was determined by Law No 16.002 of 25 November 1988, Article 91. The original text can be viewed in Official Journal No 22.562 of 9 February 1988.

This provision was implemented by Decrees Nos. 452/988 of 6 July 1988 and 247/989 of 24 May 1989.

See Article 68.

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#### **Article 51**

The Executive Power shall determine, by regulation, the arrangements for granting financing under this law, in accordance with the phases in the implementation of the project. The beneficiaries of financing may be required to take out insurance and provide any necessary guarantees. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 68.

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#### **Article 52**

A Forest Fund is hereby established to provide for the expenditure necessary to apply this law. This Fund shall be financed from the following resources:

(A) The sums allocated to it by the Executive Power from the budget;

(B) The repayments and interest on loans granted by the Forest Fund;

(C) The proceeds of any charges for use, concessions or rentals deriving from the management of State Forest Lands;

(D) Compensation received by the State Forest Lands under Article 37;

(E) Any fines for breaches of the provisions of this law and its regulations;

(F) The funds from loans and other financing arranged in accordance with this law;

(G) Any bequests or donations received. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.  
See Article 55.

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### **Article 53**

The Forest Fund shall be administered by an Honorary Committee to be known as the "Forest Fund Administration Committee" reporting to the Ministry of Livestock, Agriculture and Fisheries, which shall provide it with all the support it needs to function.

The Committee shall consist of three members:

(1) The Director of the Forestry Department of the Ministry of Livestock, Agriculture and Fisheries, who will act as chairman;

(2) Another representative of the Ministry of Livestock, Agriculture and Fisheries;

(3) A representative of the Ministry of the Economy and Finance.

In addition, the departments represented shall appoint an alternate for each regular member. Without prejudice to the tasks assigned to it by the regulations, the Administrative Committee thus set up shall have as its basic and fundamental responsibility the administration, direction, monitoring and supervision of the economic and financial aspects of forest plans and projects implemented with assistance from the Forest Fund. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 54**

Sums paid into the Forest Fund shall be deposited in a special account in the Banco de la República Oriental del Uruguay, named "Forest Fund", whose resources shall be used to meet the requirements of forest development through financing, in accordance with the provisions of this law and such provisions as the Executive Power may introduce through regulations, on the proposal of the Ministry of Livestock, Agriculture and Fisheries. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 55**

The Executive Power shall set aside for forest development a minimum annual appropriation equivalent to the notional cost of afforesting ten thousand hectares, to be distributed as follows:

(1) The first 95% (ninety-five per cent) for the Forest Fund to be set up under Article 52 of this law. This fund may also be used for the provision of financing under Chapter II of this title and for paying for expropriations, acquisitions and afforestation under Title III of this law;

(2) The remaining 5% (five per cent) for hiring persons and contracting for services and for paying the costs of Executive Unit 107, "Directorate-General of Renewable Natural Resources" and Executive Unit 119, "Forestry Department". (\*)

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(\*) The wording of subparagraph 2 was determined by Law No 16.170 of 28 December 1990, Article 269. The original text can be viewed in Official Journal No 22.562, of 9 February 1988.

This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 56**

The Executive Power, on the proposal of the Ministry of Livestock, Agriculture and Fisheries, shall, within ninety days of the promulgation of this law, draw up a five-year National Afforestation Plan, which shall be updated annually on 30 November by introducing changes based on the experience acquired in previous years. This document shall contain the annual targets, including the number of hectares to be afforested. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 57**

Each year and within thirty days of the approval or updating of the National Afforestation Plan, the Forestry Department of the Ministry of Livestock, Agriculture and Fisheries shall draw up and publish a forest activities promotion programme. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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### **Article 58**

Tree plantations and forests shall be included among the property which may form the subject of a rural or agrarian pledge agreement under Law 5.649, of 21 March 1918. (\*)

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(\*) Wording determined by Law No 16.320 of 1 November 1992, Article 195. The original text can be viewed in Official Journal No 22.562 of 9 February 1988.

This Law was implemented by Decree No 452/988 of 6 July 1988.

See Article 60.

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### **Article 59**

The pledging of forests by the owner of the property on which they stand must, if that property is the subject of a mortgage, have the consent of the mortgagee. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

See Article 60.

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### **Article 60**

In addition to complying with the provisions of Law 5.649, of 21 March 1918, the pledge agreement referred to in the preceding Articles must be registered in the Forestry Department's General Forest Register, in accordance with the procedure and conditions laid down by the regulations issued. (\*)

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(\*) This Article was implemented by Decrees Nos 451/988 of 6 July 1988 and 452/988 of 6 July 1988.

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#### **Article 61**

Wood and other forest products extracted from a forest subject to a real right of pledge may be sold, with the prior approval of the Forestry Department (Articles 62 and 63) and provided the phased requirements of the corresponding management plan are met, by whoever holds the right to exploit the forest, but the latter may make delivery of those products only after first having paid the holder of the real right of pledge those sums to whose reimbursement they are assigned, or with his consent, which must be recorded against the entries in the respective Registers. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 62**

In the event of the enforcement of the charge on a forest, the acquirer of the forest shall respect the corresponding exploitation and management plan approved by the Forestry Department. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 63**

If a charge on a forest is enforced, the owner of the land on which the forest stands must allow the person who acquires the forest access to the property in such a way as to enable him to carry out the exploitation and management plan approved by the Forestry Department, by establishing the necessary rights of way. This obligation upon the land owner and the rights of way established shall lapse two years after completion of the exploitation period specified in the exploitation and management plan approved by the Forestry Department. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 64**

For the purposes of this law the second paragraph of Article 4 of Law 5.649, of 21 March 1918 shall not apply. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 65**

For fifteen years from the promulgation of this law, rural, industrial or agro-industrial producers and enterprises engaged in afforestation or the exploitation or processing of domestically produced wood shall have the benefit of the facilities of Article 66 for the following activities:

- (A) Production of forest plants, planting and forest management;
- (B) Exploitation of wood or utilization of other forest products;
- (C) Processing of wood to produce pulp, paper and board, sawn lumber, plywood and veneer, fibreboard and particle board, wood distillation;
- (D) Preservation and drying of wood;
- (E) Utilization of forest products as raw materials in the chemical or power generating industries. (\*)



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(\*) This Article was implemented by Decrees Nos 452/988 of 6 July 1988 and 457/989 of 27 September 1989.

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#### **Article 66**

The Executive Power, on the proposal of the Ministry of Livestock, Agriculture and Fisheries, may exempt the importation of raw materials needed for the processing of domestically produced wood and of equipment, machinery, utility vehicles and tools needed for the installation and operation of such enterprises from all or part of the following taxes and charges: additional duties and other customs levies, including import tax, port dues and taxes, surcharges and deposits, and any other levy on imports or applied in connection with importation. It shall be an indispensable condition for the granting of such exemption that:

(A) raw materials, equipment, machinery, vehicles and tools comparable in quality and price to those to be imported are not normally produced domestically;

(B) the activity in which the beneficiary enterprise is engaged is consistent with the general objectives of forest policy. (\*)

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(\*) This Article was implemented by Decrees Nos 452/988 of 6 July 1988 and 457/989 of 27 September 1989.

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#### **Article 67**

The following shall be added to the responsibilities of the National Fuel, Alcohol and Portland Cement Administration, in accordance with Law 8.764, of 15 October 1931, and its amending supplements:

Research into the best use of domestically produced wood as a source of energy. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 68**

Administrative proceedings brought against resolutions refusing or cancelling tax concessions or financial benefits provided for in Chapters I and II of Title V of this law shall have suspensive effect. (\*)

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(\*) This Article was implemented by Decrees Nos 452/988 of 6 July 1988 and 247/989 of 24 May 1989.

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#### **Article 69**

Violations of and offences against the forest laws and regulations shall be punishable by fines ranging, depending on the seriousness of the offence, from one tenth to fifty times the notional cost of afforestation per hectare, in effect at the time of commission of the offence, without prejudice to any civil or criminal proceedings to which the act may give rise. The Forestry Department and the Renewable Natural Resources Department shall be responsible for verifying the offence.

The Agricultural Inspection Department of the Ministry of Livestock, Agriculture and Fisheries shall be responsible for determining, imposing and enforcing the appropriate penalties, in accordance with the procedures laid down in Law No 10.940 of 19 September 1947. (\*)

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(\*) The wording of the first paragraph was determined by Law No 16.170 of 28 December 1990, Article 271. The original text can be viewed in Official Journal No 22.562, of 9 February 1988.

This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 70**

The Ministry of Livestock, Agriculture and Fisheries, on the proposal of the Forestry Department, may implement the mechanisms needed to gather the information necessary to carry out the controls that the application of the provisions of this law requires, for which purpose it may order the making of sworn statements. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 71**

Subparagraph (2) of Article 85 of Decree Law 14.189, of 30 April 1974, shall be replaced by the following:

"(2) If the object of the company is afforestation, fruit-growing, citrus fruit-growing or by-products thereof". (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

See Article 2.

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#### **Article 72**

All expert reports and valuations of a judicial or administrative nature relating to the subject matter of this law shall be entrusted exclusively to agronomists or agricultural surveyors, in their respective fields. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 73**

This law is public policy. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 74**

The Executive Power shall implement this law within one hundred and twenty days of its promulgation. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 75**

Law 13.723, of 16 December 1968, and any other provision that conflicts with this law, is hereby repealed. (\*)

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(\*) This Law was implemented by Decree No 452/988 of 6 July 1988.

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#### **Article 76**

Proclaimed, etc.

**Decree No 452/988**

**Promulgation : 06/07/1988**

**Publication : 14/07/1988**

**National Registry of Laws and Decrees:**

<b>Volume:</b>	<b>1</b>
<b>Semester:</b>	<b>2</b>
<b>Year:</b>	<b>1988</b>
<b>Page:</b>	<b>33</b>

SANGUINETTI - PEDRO BONINO GARMENDIA

Having regard to the provisions of Article 74 of Law 15.939, of 28 December 1987;

Whereas under that provision the Executive Power is entrusted with the implementation of the aforementioned law;

Whereas to give effect to that law it is necessary to proceed with its implementation in accordance with the general principles contained therein, without prejudice to the issuance of other regulations on specific aspects, where so required;

Bearing in mind the fundamental provisions of Article 168.4 of the Constitution of the Republic and Art. 74 of Law 15.939, of 28 December 1987;

The President of the Republic

HEREBY DECREES:

**Article 1**

(Definition of forest). For the purposes of Law 15.939, of 28 December 1987 and its regulations, "forest" shall be taken to mean an association of vegetation which, in addition to possessing the characteristics specified in Article 4 of that law, has an area of at least 2,500 square metres.

**Article 2**

(Designation of forest land). In accordance with Article 5 of Law 15.939, of 28 December 1987, land included in the following zones or soil groups shall be designated forest land:

(a) The sandy coasts of the southern seaboard, from the confluence of the Río Negro with the Río Uruguay to that with the Arroyo Chuy, in the Department of Rocha;

(b) The banks of the Río Negro throughout its length, including those of Lakes Baygorria, Rincón del Bonete and Palmar, the banks of Lake Salto Grande, and the banks of the rivers Tacuarembó Grande, Tacuarembó Chico, Yí, Santa Lucía and San José. The area of forest land may never be less than that contained between the respective bank and mean flood level, without prejudice to which a strip at least 150 metres wide must be included;

(c) Soil groups 2.11a, 2.12, 2.14, 5.01C, 7.1, 7.2, 7.31, 7.32, 7.33, 7.41, 7.42, 8.1, 8.02a, 8.02b, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15, 8.16, 9.1, 9.2, 9.3, 9.41, 9.42, 9.5, 9.6, 9.7, 9.8, 9.9, 07.1 and 07.2, excluding soils of letter (a); 09.1, 09.2, 09.3, 09.4 and 09.5, S09.10, S09.21, in accordance with the CONEAT classification.

Without prejudice to the above, the Forestry Department shall propose to the Ministry of Livestock, Agriculture and Fisheries the designation of other forest areas, where justified on public interest grounds. (\*)

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(\* ) The wording of letter (c) was determined by Decree No 26/993, of 12 January 1993, Article 1. The original text can be viewed in Official Journal No 22.663, of 14 July 1988. See Articles 5 and 11.  
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### **Article 3**

(Suitability for forest use). To be suitable for forest use a soil must provide good conditions for trees to take root and grow, be sufficiently well-drained, and have low natural fertility.

### **Article 4**

(Classification). Private forests shall be classified according to their purpose under the provisions of Article 8 of the law.

This classification shall be made by the Forestry Department of the Ministry of Livestock, Agriculture and Fisheries:

(a) On its own initiative, in the following cases:

1. Where the forest is located in a zone designated for compulsory afforestation, under Article 12 of Law 15.939.
2. To ensure compliance with the provisions for the protection of forests of Title IV, Chapter I of Law 15.939 and its implementing regulations; and
3. Where necessary in order to implement development plans approved by the competent authorities.

(b) At the request of an interested party, who must fulfil the requirements of the last paragraph of Article 8 of Law 15.939.

### **Article 5**

(Classification criteria). The classification of forests shall be based on the following criteria:

(I) To determine whether a forest is protective it is necessary to consider:

(a) whether it helps to prevent erosion or conserve renewable natural resources or to regulate drainage basins, of regional importance. These factors shall be evaluated by the Forestry Department, in accordance with general conservation principles; or (b) whether it is located on forest land as defined in Article 2(a) and (b) of this Decree.

(II) To determine whether a forest is producing the following characteristics must be taken into account:

(a) its suitability for producing woody or non-woody materials whose utilization is in the national interest. For this purpose, materials obtained from the following species shall be considered to fit this description: *Pinus elliottii*, *taeda* and *pinaster*, *Eucalyptus grandis*, *saligna*, *globulus* and subspecies *maidenii*, *Populus deltoidea* and hybrid 63/51; *Salix alba* var. *coerulea* and hybrids 131 - 25 and 131 - 27.

(b) its location in zones designated as forest land under Article 2(c) of this Decree.

(c) its area, which may not be less than 10 (ten) hectares; and

(d) its location on soils subordinate to those of forest priority (in accordance with the classification of the Uruguayan Soil Recognition Chart, Volume III, description of soil units, Montevideo - Uruguay 1979) provided that the area occupied by these soils does not exceed forty per cent of the survey area and that the remainder belongs to the soil groups specified in Article 2(c) of this Decree and is at least ninety per cent afforested.

On these subordinate soils, species other than those mentioned in paragraph II(a) of this Article may be planted, provided that, in the opinion of the Forestry Department, afforestation is technically viable.

(III) All forests which, because of their characteristics, cannot be classified as protective or producing shall be deemed to be general forests. (\*)

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(\*) The wording of paragraph II(d) was determined by Decree No 333/990, of 25 July 1990, Article 1. The original text can be viewed in Official Journal No 22.663, of 14 July 1988.  
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#### **Article 6**

(Notification). The resolution classifying a forest shall be notified to the owner or user of the land on which it stands, in person, in accordance with the procedure laid down in Article 48 ff. of Decree 640/978, of 8 August 1973.

#### **Article 7**

(Projects and reports). For forest classification purposes, the owner or user, in whatever capacity, must submit a corresponding forest management and organization plan for the cultivation, use and regeneration of the forest, in accordance with the relevant law and regulations in force. He shall also be subject to the forest protection provisions of Title IV, Chapter I of Law 15.939 and, where appropriate, to the special provisions applying to the situation that justified the classification.

#### **Article 8**

(Presentation and requirements). The afforestation report or project must be presented in accordance with the instructions drawn up for that purpose by the Forestry Department, so as to meet its requirements. Interested parties must produce, *inter alia*, the items on the following purely illustrative list: survey maps, aerial photographs, soil analyses, fire prevention plan, notarized certificate establishing their legal relationship to the land.

#### **Article 9**

(Registration). The Forestry Department of the Ministry of Livestock, Agriculture and Fisheries shall maintain a Register in which there shall be recorded the forests it has classified. Registration shall be mandatory for the purpose of obtaining the tax and financial concessions for which Law 15.939 provides, as well as for transacting any business with the Department relating to the planting, conservation, management or use of forests.

#### **Article 10**

(Inspections). The Forestry Department of the Ministry of Livestock, Agriculture and Fisheries may carry out inspections for the purpose of certifying the area occupied by a forest or plantation, as well as its state or management.

#### **Article 11**

(Compulsory planting - State lands).

The planting of forests shall be compulsory on the forest land specified in Article 2(a) and (b) of this Decree whose owner or occupant, in whatever capacity, is the State, the Autonomous Entities, Decentralized Services or Government Departments, provided that such land has a minimum continuous area of 10 (ten) hectares.

## **Article 12**

(Time limits). It is mandatory that the above afforestation be started within one year of the date of this Decree, a maximum period of five years being allowed for the complete planting out of the land. The afforestation shall be carried out for the account of the owning or occupying entities, through contracts with third parties, and shall be eligible, where appropriate, for the tax and financial concessions for which Law 15.939 of 28 December 1987 provides. Nevertheless, those entities which, under the legislation governing their organization and operation, are required to maintain reserve or investment funds may not make use of special credits for afforestation.

## **Article 13**

(Registration of forests). For the purpose of classifying State Forest Lands, the same requirements and provisions as for classifying private forests shall be respected, where applicable.

## **Article 14**

(General principle). The felling of indigenous forests and any other operation that jeopardizes their survival and the destruction of manmade protective forests shall be prohibited.

## **Article 15**

(Felling of indigenous forests for domestic use). For the purposes of Article 24(a) of Law 15.939, the product of exploitation shall be deemed to be intended for domestic use if it is used for heating, cooking or rural buildings within the settlement.

## **Article 16**

(Felling of indigenous forests). For the purposes of the authorization mentioned in Article 24(B), interested parties shall apply to the Renewable Natural Resources Department of the Ministry of Livestock, Agriculture and Fisheries with a technical report giving the reasons why felling or any other proposed operation is justified and their exploitation plan.

On flat or undulating land suitable for agricultural use and not susceptible to flooding, the Renewable Natural Resources Department may authorize felling where the forest limits improvement and there is no question of preserving arboreal communities or species, maintaining ecosystems or protecting the public interest. (\*)

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(\*) Wording determined by Decree No 24/993 of 12 January 1993, Article 1. The original text can be viewed in Official Journal No 22.663, of 14 July 1988. See Article 24(b).  
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## **Article 17**

(Protection). Forests and forest land forming part of the State Forest Lands shall be subject to the above-mentioned protection provisions, where applicable.

## **Article 18**

Plants and trees may not be planted along the dividing line, except by mutual agreement between the adjoining property owners (Article 20.1 of the Rural Code).

If the dividing line is a party wall, espaliered planting may be carried out provided it does not exceed the height of the wall (Article 20.2 of the Rural Code).

Species whose invasive roots might harm neighbouring crops or buildings may not be used for this purpose.

## **Article 19**

Hedges may be planted at a minimum distance of 1.5 metres from the dividing line; such hedges may not be more than 2 metres high and the side branches may not extend beyond the boundary of the property.

**Article 20**

Fruit trees must be at least 5 metres from the dividing line between neighbouring properties.

**Article 21**

Protective and dividing screens may not be more than 7 metres high and may not be less than 5 metres from the dividing line, except for those on the southern boundary of the property, where the minimum distance shall be 10 metres. (\*)

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(\*) See Article 23.

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**Article 22**

Forests of any kind, public or private, shall be located at least 12 metres from the dividing line between neighbouring properties. On the south side the minimum distance shall be 25 metres. (\*)

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(\*) See Article 23.

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**Article 23**

In the cases referred to in Articles 21 and 22 of this Decree, if the neighbour considers that the plantation, even under the above conditions, may damage his property, he may submit the matter for decision by the Forestry Department which shall determine whether there has been any damage and, if so, shall establish a minimum distance for the plantation.

**Article 24**

In the case of dividing lines with public highways, no plantations of any kind shall be located within 5 metres of the dividing line.

**Article 25**

With regard to trees of species whose invasive roots harm neighbouring crops, such as American aspen (*Populus tremuloides*), silver poplar (*Populus alba* var), honey locust (*Gleditschia triacanthos*) and elm (*Ulmus* sp.), they may not be planted within 30 metres of the neighbouring property.

**Article 26**

Where species planted in forests or hedges belonging to neighbouring properties invade cultivated areas, threatening the crops, their owner shall bear the corresponding clean-up costs.

**Article 27**

Promulgated, etc.

**Decree No 316/992**

**Promulgation : 07/07/1992**

**Publication : 25/09/1992**

**National Register of Laws and Decrees:**

<b>Volume:</b>	<b>1</b>
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LACALLE HERRERA - EDUARDO ACHE - IGNACIO DE POSADAS MONTERO

Having regard to the measures adopted for the purpose of deregulating the automotive industry.

Whereas the special characteristics of the national automotive industry and of the domestic motor vehicle market make it advisable to adopt measures to encourage the growth of exports of the products of the sector, thereby enabling it to be restructured.

Considering:

(I) the effects on local industry of the policies developed in this sector by the MERCOSUR member countries;

(II) that the measures to be applied will facilitate the adoption of sectoral agreements within the framework of the aforementioned treaty with a view to accelerating the integration of regional industry;

(III) that it is desirable to establish the exclusion of the benefit consisting of the refunding of indirect taxes in respect of the products whose exportation is encouraged by this Decree;

(IV) that it is necessary to find mechanisms for preventing the distortions which in the process of restructuring may be caused by commercial practices such as the importation of used vehicles, or the assembly of vehicles from used parts;

Mindful of the above and the provisions of Article 2.2(c) of Law 12.670 of 17 December 1959,

The President of the Republic

HEREBY DECREES:

**Article 1**

Enterprises which export completed or part-completed vehicles assembled in the country, or auto-parts of national origin, may avail themselves of the following mechanism, applicable to the importation of motor vehicles assembled in the place of origin destined for the domestic market and to products they import under Tariff Heading 8708.99.90.50. of the MERCOSUR Common Nomenclature.

They may make imports with a concession of up to 13 per cent of the TGA (global tariff), which includes the 3 per cent increase resulting from Article 1 of Decree No 484/997, of 29 December 1997, subject to a ceiling of the equivalent of US\$0.10 (ten United States cents) for every United States dollar of exports, based on the f.o.b. value declared in customs declarations.

Enterprises that cumulate the benefit provided under Decree No 558/994, of 21 December 1994, may reduce the ceiling provided for in the preceding paragraph to US\$0.07 (seven United States cents) and



may allocate US\$0.005 (zero point five United States cents) to be used in the manner established in Decree No 558/994 under reference, in which case the ceiling shall fall to US\$0.065 (six point five United States cents).

The enterprises covered in the first paragraph of this Article which, within a period of 90 days counted as from the date of the export declaration, fail to make use of the TGA benefit in any of the alternatives envisaged, may allocate the balances for the payment of taxes due to the Directorate-General of Taxation. (\*)

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(\*) Wording of Decree No 60/999 of 3 March 1999, Article 1. The original text can be viewed in Official Journal No 23.648 of 25 September 1992. See Article 4.

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## **Article 2**

The following products shall be considered eligible for the benefits for which this Decree provides:

- Auto-parts produced in the country from domestic or imported raw materials, which have undergone a change in their original composition, shape or structure, provided their ultimate destination is an Automotive Terminal or the motor vehicle replacement parts market, or they can reliably be shown to have been used in motor vehicles;
- Auto-parts assembled in the country and consisting of vehicle assemblies or sub-assemblies, provided that they are the result of a significant industrial process.
- Completed or part-completed vehicles assembled in the country from imported kits with a degree of disassembly approved by the National Department of Industry.
- Vehicle and auto-part manufacturing or assembly plants must demonstrate a National or Regional Value Added, as appropriate, in accordance with the origin requirements of bilateral or multilateral agreements concluded between the country and the importing countries.

The National Department of Industry of the Ministry of Industry, Energy and Mines shall be responsible for verifying compliance with the provisions of this Article. (\*)

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(\*) See Article 10.

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## **Article 3**

The National Department of Industry of the Ministry of Industry, Energy and Mines shall monitor the values imported and exported by the respective enterprises and shall issue the appropriate certificates certifying that the importation qualifies for a concession of up to 10 per cent of the TGA, which shall be submitted to the Banco de la República Oriental del Uruguay, together with the form giving entitlement to import vehicles assembled in the place of origin, upon presentation of the import application.

## **Article 4**

The exporting enterprises referred to in Article 1 may assign their rights derived from prior exports to enterprises that import vehicles for sale on the domestic market, which in this case shall be the beneficiaries of the tax exemption for which this Decree provides. The National Department of Industry of the Ministry of Industry, Energy and Mines shall check the respective assignment and authorize it, where appropriate.

## **Article 5**

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(\*) Revoked by Decree No 583/994 of 30 December 1994, Article 1. The original text can be viewed in Official Journal No 23.648, of 25 September 1992.

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**Article 6**

The certificate of origin of vehicles assembled in the country for export to the Federal Republic of Brazil under the Trade Expansion Protocol (PEC) shall be issued by the National Department of Industry of the Ministry of Industry, Energy and Mines.

**Article 7**

The vehicle category G established by Article 1 of Decree 128/970 of 13 March 1970 is abolished. Articles 7 and 8 of Decree 464/978 of 11 August 1978 are revoked.

**Article 8**

The importation of goods referred to in Article 1 of Decree 494/990, of 29 October 1990, and Article 1 of Decree 583/990, of 18 December 1990, is prohibited for a period of 120 (one hundred and twenty) days from the entry into effect of this Decree.

**Article 9**

The importation of used vehicles of NADI heading 87.02 and subheading 07.01.02 is prohibited for a period of 120 (one hundred and twenty) days from the entry into effect of this Decree;

**Article 10**

Products covered by the provisions of Article 2 of this Decree in accordance with a resolution of the National Department of Industry of the Ministry of Industry, Energy and Mines are excluded from the benefits accorded by Article 5 of Decree 393/991 of 29 July 1991.

**Article 11**

This Decree shall enter into effect upon publication in the newspapers of the capital.

**Article 12**

Proclaimed, published, etc.

**Decree No 583/994**

**Promulgation : 30/12/1994**

**Publication : 13/01/1995**

National Register of Laws and Decrees: not included.

LACALLE HERRERA - MIGUEL ANGEL GALAN - IGNACIO DE POSADAS MONTERO

Having regard to the regime adopted by Decree No 316/992 of 7 July 1992, for the purpose of encouraging the restructuring of the national automotive industry;

Whereas:

(I) the Council of the Common Market of MERCOSUR has decided (Dec. 29/994) to establish (a) a Common Automotive Regime to operate from 1 January 2000;

(b) a provisional regime to operate from 1 June 1995; and

(c) that no restrictive changes in Intra-Zonal automotive sector trade shall be unilaterally introduced.

(II) it is considered desirable to extend the period of validity of the regime established in Decree No 316/992, since domestic enterprises are in the midst of a process of restructuring under cover of that Decree;

(III) the extension to be granted does not involve a restriction on Intra-Zonal automotive sector trade;

In the light of the above:

The President of the Republic

HEREBY DECREES:

**Article 1**

Article 5 of Decree No 316/992 of 7 July 1992 is revoked, the TGA (global tariff) concessions established by that Decree being maintained in force until the Mercosur member countries agree the provisional regime referred to in recital (I).

**Decree No 340/996**

**Promulgation : 28/08/1996**

**Publication : 06/09/1996**

**National Register of Laws and Decrees:**

<b>Volume:</b>	<b>1</b>
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SANGUINETTI - JULIO HERRERA - LUIS MOSCA

Having regard to the regime that regulates the national automotive industry;

Considering:

(I) the present transitional situation through which the Mercosur automotive sector is passing and the initiation of definitions by Argentina and Brazil in connection with the final regime to operate from the year 2000;

(II) the prospect of Uruguay occupying a competitive position in the industry of the region, specializing in segments of the market and consolidating the changes made with a view to exporting to the region;

(III) the existence of an unfavourable regional economic climate which has limited exports under the CAUCE and PEC agreements and affected levels of industrial production;

Whereas it is desirable to adopt measures to facilitate business decisions concerning production schedules and investment and in preparation for the common MERCOSUR regime;

Mindful of the provisions of Article 2 of Law 12.670 of 17 December 1959 and Article 2 of Law 16.492 of 2 June 1994;

The President of the Republic

HEREBY DECREES:

**Article 1**

Motor vehicle components or auto-parts (parts, assemblies and subassemblies) imported as kits, in accordance with the lists authorized for each model by the National Department of Industry of the Ministry of Industry, Energy and Mines, shall be subject to a global tariff (TGA) of 2 (two per cent) by way of minimum surcharge.

The provisions of this Article shall apply during the period of validity of Decree No 316/992 of 7 July 1992.

**Article 2**

The benefits for which Decree No 316/992 of 7 July 1992 provides may be cumulated with those established by Decree No 558/994 of 21 December 1994, under the conditions laid down in the next Article. (\*)

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(\*) See Article 3.  
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**Article 3**

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(\*) Revoked by Decree No 60/999 of 3 March 1999, Article 4. The original text can be viewed in Base DIAR .

See Articles 5 and 6.

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**Article 4**

The motor vehicles of headings 87.02, 87.03 and 87.04 are incorporated in the regime established by Decree No 558/994 of 21 December 1994, the tax refund percentage being fixed at 3.3% (three point three per cent).

**Article 5**

Exporters of products covered by Decree No 316/992 of 7 July 1992 who have not had a tax refund percentage fixed within the context of the above-mentioned Decree No 558/994 and wish to opt for the cumulation of both benefits under the conditions laid down in Article 3 must apply to the Ministry of the Economy and Finance with a reasoned request for the fixing of a tax refund percentage.

**Article 6**

For the purpose of obtaining the "Tax Refund Certificates" referred to in Article 6 of the above-mentioned Decree No 558/994, the beneficiary enterprises must lodge with the Banco de la República Oriental del Uruguay a certificate issued by the National Department of Industry of the Ministry of Industry, Energy and Mines, showing that they are operating within the framework of Article 3 of this Decree.

**Article 7**

Account shall be rendered to the General Assembly.

**Article 8**

This Decree shall enter into effect on 1 September 1996.

**Article 9**

Proclaimed, published, etc.

**Decree No 60/999**

**Promulgation : 03/03/1999**

**Publication : 12/03/1999**

**National Registry of Laws and Decrees:**

<b>Volume:</b>	<b>1</b>
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SANGUINETTI - LUIS MOSCA - JULIO HERRERA

HAVING REGARD to the regime governing the Automotive Industry;

WHEREAS it is necessary to amend that regime in order that it may more efficiently attain the objectives for which it was adopted;

ACCORDINGLY

THE PRESIDENT OF THE REPUBLIC

HEREBY DECREES:

**Article 1**

(\*)

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(\* ) This Article reworded Decree No 316/992 of 7 July 1992, Article 1, and should therefore be viewed in the latter.  
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**Article 2**

The National Department of Industry of the Ministry of Industry, Energy and Mines shall monitor the use of the benefit for which Article 1 provides and shall issue the corresponding certificates for presentation to the competent government authorities.

**Article 3**

(Transitional provision). The enterprises covered by Article 1 may earmark for the payment of taxes due to the Directorate-General of Taxation such balances as may exist on the effective date of this Decree owing to the non-use of the TGA concession envisaged under the present regime and which are no older than 90 days as from the said date.

**Article 4**

Article 3 of Decree No 340/996, of 28 August 1996, and all provisions conflicting with the present Decree are hereby revoked.

**Article 5**

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(\* ) Revoked by Decree No 273/999 of 10 September 1999, Article 1. The original text can be viewed in Base DIAR .  
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**Article 6**

Proclaimed, published, etc.

**Decree No 273/999**

**Promulgation : 10/09/1999**

**Publication : 20/09/1999**

**National Register of Laws and Decrees:**

**Volume: 1**  
**Semester: 2**  
**Year: 1999**  
**Page: 610**

SANGUINETTI - JULIO HERRERA - LUIS MOSCA

HAVING REGARD to the regime governing the Automotive Industry and the provisions of Decree 60/999 of 3 March 1999;

WHEREAS it is necessary to maintain in force the regime governing the Automotive Industry as from 1 January 2000, with the amendments introduced by Decree 60/999 of 3 March 1999;

ACCORDINGLY

THE PRESIDENT OF THE REPUBLIC

HEREBY DECREES:

**Article 1**

Article 5 of Decree 60/999 of 3 March 1999 is hereby revoked.

**Article 2**

Proclaimed, published, etc.

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