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SWITZERLAND GLOBAL ENTERPRISE

Brazil

Legal Provisions

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1. GENERAL REMARKS

The purpose of this document is to give an overview of trade-related legal provisions and regulations. It outlines the current state of legislation.

Brazil is the fifth largest country in the world, with an area of 8,514,877 sq km, equivalent to almost half the entire South American continent. Brazil borders all South American countries except Chile and Ecuador. Brazil comprises 26 states and the Federal District of Brasília, the capital.

The population is about 212 million, according to estimations by IBGE (2024). 56% of the Brazilian population lives in the south and south-eastern region, the wealthiest and best-developed area of Brazil, responsible for around 70% of the Brazilian GDP.

Characterized by large and well-developed agricultural, mining, manufacturing and service sectors, Brazil's economy outweighs all other South American countries and is expanding its presence in world markets. Today, Brazil is the 9th largest economy in the world (by GDP).

Brazil is the main destination of Swiss exports in Latin America, representing 37% of the amount in the region or 2.8 billion Swiss Francs. Mexico is in second place with 26% of Swiss exports. If we consider Swiss imports, Mexico takes the lead totaling 2.5 billion Swiss Francs, followed by Brazil with 1.6 billion Swiss Francs (source: Swiss-Impex).

With the largest economy and population in Latin America, Brazil presents many export opportunities, mainly in the infrastructure-, cleantech-, pharma-, medtech, MEM as well as the agritech sectors.

Brazil is a highly regulated market and requires local knowledge, especially in regulatory affairs, taxes, accounting and labor. In the 2024 IMD World Competitiveness Ranking, the country is in the 62nd position out of 67 countries (Source: IMD 2024, page 51).

In January 2022 the double taxation agreement between Brazil and Switzerland came into force. The agreement is a competitive advantage for Swiss companies doing business in Brazil, when compared to countries that have no double taxation agreement with Brazil. The free trade agreement (FTA) between EFTA and Mercosur has not been ratified yet. Negotiations to conclude the FTA have been intensified in 2024 and a decision is expected in 2025.

2. CUSTOMS LAW AND DUTIES

In general, imports to Brazil can only be registered by authorized companies. The permission is granted by SECEX, the Secretary for Foreign Trade. Individuals normally do not get this permission.

For each import, the importer or its representative (customs agent – *despachante*) needs to apply an import license and file an import declaration (*Declaração de Importação* – DI) through SISCOMEX (see also 2.1).

Through SISCOMEX, an integrated foreign trade system, different government entities (Federal Revenue and Customs Administration, Health and Agricultural Ministry and Central Bank, amongst others) are linked and able to perform fiscal, administrative and foreign exchange controls.

All information is verified by the authorities.

Brazil has implemented the WCO (World Customs Organization) Authorized Economic Operator (AEO) Program, according to Normative Instruction 2154/2023. More information on the Brazilian federal revenue service agency website.

2.1. Import licenses - automatic and non-automatic procedure

For all imports, an import license is needed. For most products, the so called “automatic import license” (*licenciamento automático*) is sufficient. The importer may request it online through the foreign trade system SISCOMEX. Automatic licenses are normally issued within ten days of application. Goods must be shipped within 180 days from issuance of the import licenses.

In other cases, a non-automatic license is necessary. The importer can check the SISCOMEX system about the required licenses and the granting government agencies.

In general, non-automatic import licenses are needed for the following products: living animals, meat, seafood, milk and milk products, eggs and honey, fruits and vegetables and several other animal and vegetable products, mineral water, tobaccos, minerals, chemicals and petrochemicals, rubber, herbicides and pesticides, medical and pharmaceutical products, vitamins, human blood, plastics, furs, wood, textiles, shoes, iron and steel, machines and devices, electro technical goods, automobiles, optical instruments, measuring instruments, weapons and munitions, nuclear material, furniture and toys.

Different government bodies are responsible for issuing import licenses, depending on the goods.

As a general rule, all food imports to Brazil are subject to a sanitary control through the Ministry of Agriculture, Livestock, and Supply (MAPA) or through the Brazilian Health Surveillance Agency (ANVISA).

Importation of products from animal origin is conditioned to prior approval of the exporting establishment in Switzerland by a MAPA inspector (https://www.gov.br/agricultura/pt-br/assuntos/sanidade-animal-e-vegetal/saude-animal/importacao). Travelling costs (flight, accommodation and local expenses) must be paid by the Swiss company. The approval has no expiration date and does not have to be renewed in the future. Nevertheless, for each export, a sanitary certificate is needed.

It is worthwhile mentioning that most import licenses must be issued before shipping.

2.2. Prohibited imports

Prohibited imports in international shipping include:

- Goods intended for resale or to undergo an industrialization process when imported by an individual, except for imports made by a rural producer, artisan, artist, or similar;

- Counterfeit and/or pirated products;
- Goods offensive to morals, decency, health, or public order;
- Narcotic substances or drugs;
- Currency in cash;
- Products prohibited by administrative control bodies for health, metrology, public safety, environmental protection, sanitary controls, phytosanitary, and zoosanitary controls.

Prohibited imports as baggage include:

- Cigarettes and alcoholic beverages manufactured in Brazil intended exclusively for sale abroad;
- Cigarettes of a brand not commercialized in the country of origin;
- Replicas of firearms;
- Species of wild fauna without a technical opinion and license;
- Aquatic species for ornamental and agricultural purposes without permission from the competent authority;
- Counterfeit and/or pirated products;
- Products containing genetically modified organisms;
- Agrochemicals, their components, and related products;
- Goods offensive to morals, decency, health, or public order;
- and Narcotic substances or drugs.
- Prohibited Goods according to Management Administrative Controlling Departments (e.g.: Sanitary Agency, Agriculture, Army)
- Prohibited items according to *Correios* (Brazilian post office company) or Courrier companies
- Goods prohibited in air transport.

See the prohibited and restricted products here and here.

2.3. Import regulation for used machines

Used machines can only be imported under certain circumstances. They are generally subject to a prior analysis by the Foreign Trade Secretariat (SECEX). SECEX verifies if a similar product is manufactured in Brazil or if the machine could be replaced for another comparable product.

Exceptions apply, among others, to temporary imported machines or machines imported within the scope of an international agreement.

2.4. Import regulation for wood packing material

As a signatory to the International Plant Protection Convention (IPPC) of the Food and Agriculture Organization (FAO), Brazil requires compliance with the IPPC standards for wood packing material, ISPM 15 (International Standard for Phytosanitary Measures). See the guidelines for regulation of wood packaging material in international trade here.

2.5. Labelling and packing regulations

The Brazilian Customer Protection code states that imported products can be sold in their original packaging provided that an additional label is attached to the product with the proper information in Brazilian Portuguese. The products can be labeled with the Brazilian Portuguese label in Switzerland or in Brazil upon custom's declaration. Special label regulations apply to products regulated by ANVISA,

MAPA and INMETRO – among them are medical devices, pharmaceutical products, cosmetics, beauty- and hygienic products, antiseptics, disinfectants, alcoholic beverages and food. See also the topic “Standards, Technical Provisions – Labelling Regulations” on chapter 4.

According to the regulation of the National Agency of Sanitary Surveillance (ANVISA), RDC 208/2018, the packaging must contain the following minimum information when entering the national territory, according to the product class to which it belongs:

Food:

a) Trade name in use abroad;

b) Manufacturer's name and manufacturing address;

c) Lot number; and

d) Expiration date.

Cosmetics / Perfumes / Hygiene Products:

a) Trade name in use abroad;

b) Country of manufacture; and

c) lot number or code.

Sanitizing:

a) Trade name in use abroad;

b) Manufacturer's name and manufacturing address;

c) Lot number; and

d) Expiration date.

Health Products:

a) Trade name in use abroad;

b) Manufacturer's name and manufacturing address;

c) Product registration number;

d) Name of Technical Responsible;

e) Registration number of Technical Responsible;

f) Lot number or code or part number;

g) Date of manufacture; and

h) Expiration date.

See detailed information on labels and instructions for use of medical devices at chapter VI of RDC 751/2022.

Products for in vitro diagnostics:

a) Trade name in use abroad;

b) Manufacturer's name and manufacturing address;

c) Product registration number;

d) Name of Technical Responsible;

e) Registration number of Technical Responsible;

f) Lot number or code or part number;

g) Date of manufacture; and

h) Expiration date.

See detailed information on labels and instructions for use of products for in vitro diagnostics at chapter VI of RDC 830/2023.

Medicines:

a) Trade name;

b) Manufacturer's name and manufacturing address;

c) Product registration number;

d) Name of Technical Responsible;

e) Registration number of Technical Responsible;

f) Lot or batch number or code;

g) Date of manufacture; and

h) Expiration date.

See detailed information on labels of medicines at RDC 768/2022.

When an Instruction for Use (IFU) is required, it must be provided in Brazilian Portuguese.

2.6. Temporary import

After more than 5 years of use in the Brazilian territory, the ATA Carnet can no longer be used as a customs document able to support temporary admission and export operations of goods in the country due to the lack of expression of interest by any national organization to take place of guaranteeing and issuing association, essential for the continuity of the program. The operations with ATA Carnet in Brazil ended on December 31st, 2021. See detailed information here.

Currently Brazil has two temporary admission regimes (i) without import duties and (ii) with proportional duties, according to Normative Instruction 1600/2015.

2.6.1. Temporary imports without import duties

The following goods, among others, may be submitted to the temporary admission regime with total suspension of payment of taxes on imports:

- Goods intended for scientific, technical, political, educational, sporting, religious, commercial or industrial events;
- Goods intended for the assembly, maintenance, repair or repair of foreign or nationalized goods, the application of the regime being authorized for parts and pieces exclusively intended for replacement in foreign goods;
- Goods that will be object of homologation, tests, expertise, functioning or resistance tests, or even used in the development of products or prototypes;
- Goods intended for the temporary replacement of imported goods, by virtue of guarantee;
- Goods destined for commercial promotion, including samples without commercial destination and samples of commercial representatives;
- Goods intended for projects or events of a cultural nature;
- Goods intended for international sports competitions and exhibitions;
- Radio, television and press equipment in general;
- Goods intended for clinical and surgical activities provided free of charge in a humanitarian action approved by the health agency of the direct public administration that promotes it;
- Goods intended for launching services for space artifacts, integration and testing of systems, subsystems and space components, previously authorized by the Brazilian space agency (aeb), including machines, equipment, devices, parts, pieces and tools intended to guarantee launch operability.

See the complete list of goods in chapter I, section II of Normative Instruction 1600/2015.

The customs clearance for temporary admission with total suspension of payment of taxes may be processed based on an Import Declaration (DI), registered in the Integrated Foreign Trade System (Siscomex), or on a Single Import Declaration (Duimp), registered on the Portal Foreign Trade System (Siscomex Portal). In some cases, the customs clearance can be processed based on the Simplified Import Declaration (DSI), including goods for events.

Within this regime, temporary imports are limited to 1 (one) year, considered the likely period of permanence of the goods in the Country indicated by the beneficiary, but can be extended up to 5 years at the customs authority's discretion. Application for an extension must be justified to the customs authority (*Receita Federal*) and submitted prior to the limit date.

2.6.2. Temporary import with proportionally import duties

The special customs regime of temporary admission for economic use is what allows the importation of goods intended for the provision of services to third parties or to produce other goods intended for sale, for a fixed period, with payment of federal taxes levied on importation, in proportion to their length of stay in the customs territory. It also applies to goods intended to serve as an industrial model, in the form of molds, dies or sheets and to industrial tools.

Proportionality will be obtained by applying the percentage of 1% (one percent) on the amount of taxes originally due, for each month or fraction contained in the period of effectiveness of the regime.

The maximum term of validity of the regime will be 100 (one hundred) months. The provision of a guarantee in an amount equivalent to the amount of suspended taxes will be required. The guarantee will be waived when it comes to imports carried out by a company certified as an Authorized Economic Operator (OEA) or when the amount of taxes with suspended payment is less than R$ 120,000.00 (one hundred and twenty thousand reais), among other exceptions provided in the Normative Instruction 1600/2015.

The customs clearance of temporary admission for economic use may be processed based on DI or Duimp.

2.7. Import of samples and catalogues

According to the Decree no. 6759/2009, article 153, the following samples are considered without commercial value:

I - samples represented by quantity, fragments or parts of any merchandise, strictly necessary to make known its nature, species and quality; and

II - goods contained in international postal shipments considered to have no commercial value, which are not intended for profit-making purposes and whose Free On Board - FOB value does not exceed US$ 10.00 (ten dollars of the United States of America).

They can be carried to Brazil in the luggage or sent by post without payment of import tax (II), tax on industrialized products (IPI), COFINS and PIS/PASEP. Some samples may require previous authorization from specific government departments (especially health-related products).

Samples, whether they have commercial value or not, which are sent to recognized importers, need the same documentation as ordinary commercial shipments, including an import license. Documents for samples should be marked as "sample, not for sale" (*amostra grátis*). No more than one sample of each product should be sent. Catalogues can be sent to Brazil without paying tax if the parcel is declared as without commercial value "*documentos sem valor comercial*".

2.8. Import Duties (I.I.)

Brazil, Argentina, Paraguay and Uruguay, the Mercosur members, implemented a common nomenclature (NCM) for custom classification of imported products. The first 6 numbers are equivalent to the Harmonized System (HS) known in Switzerland.

Import duties are published in the Common External Tariff (TEC), see below.

Import duties range from 0 and 35% and in most cases are levied over the Customs value, determined according to the rules of the WTO Valuation Agreement, plus international freight and insurance. Exact rates can be found on: https://portalunico.siscomex.gov.br/classif/#/sumario

Exemptions or reductions on import duties are granted to:

- certain capital goods (marked on the previous mentioned list with BK),
- information and telecommunication goods (marked with § or BIT)

Resolution GECEX Nº 512 from 16/08/2023

This resolution regulates the temporary reduction of the import tax rate on capital goods (BK) and information technology and telecommunications goods (BIT), under the Ex-tariff regime. See more information on Ex-tariff regime at www.s-ge.com/en/article/expertise/20203-c7-brazil-import-tax-reduction

Import duties may also be suspended on goods imported for re-export, for further processing prior to export or for use in preparing other products for export (drawback).

Exemptions or reductions are normally only granted temporarily, but renewals are frequent.

Sales taxes

In addition to the Import Duties (I.I.), sales taxes (ICMS, PIS, Cofins and IPI) apply. The sales taxes paid upon importation remain as a credit and will be compensated upon resale of the product in the market.

The Brazilian system is cumulative, that means IPI is calculated on the basis of "custom value + II", ICMS on the bases "custom value + II + IPI" etc. An example of how calculating import costs can be found in chapter 2.11.

Port and dock taxes and charges are high when compared to international standards.

2.9. Preferable import taxes

Brazil is a member of the Latin American Integration Association (ALADI). ALADI members grant preferential duty treatment to one another. The ALADI community includes Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela.

Brazil is also a member of the Southern Common Market (Mercosur), together with Argentina, Paraguay and Uruguay (Venezuela was suspended since August 2017), as well as with the associated members Bolivia, Chile, Colombia, Ecuador, Guiana, Peru and Suriname, which form a common market of more than 295 million consumers.

In 2019, member countries of EFTA (European Free Trade Association) and Mercosur concluded negotiations for a free trade agreement in Buenos Aires. The agreement still awaits approval of the respective countries' parliaments to enter into force.

2.10. Manaus free trade zone

The free trade zone of Manaus is designed to encourage manufacturing for export and local sales in the Amazon area up to 2073. Raw materials, parts and components imported in the Manaus free trade zone enjoy deferment of customs duties and exemption of federal excise tax (IPI). See a brief guide in English (from page 19) here.

2.11. Example of calculation of import costs

The following spreadsheet provides an overview of import costs in Brazil for the following Mercosul Tariffcode (NCM):

- **18.06** Chocolate e outras preparações alimentícias que contenham cacau *(Chocolate and other food preparations containing cocoa)*

- **1806.20.00** Outras preparações em blocos ou em barras, com peso superior a 2 kg, ou no estado líquido, em pasta, em pó, grânulos ou formas semelhantes, em recipientes ou embalagens imediatas de conteúdo superior a 2 kg *(Other preparations in blocks or bars, weighing more than 2 kg, or in liquid form, paste, powder, granules or the like, in immediate containers or packages of a content exceeding 2 kg)*.

Description		Cost	Sales taxes	Comments
FOB value European seaport		CHF 100.000		
Seafreight estimate		CHF 2.000		
Freight insurance door to door	0,3%	CHF 306		
CPT Brazilian seaport		CHF 102.306		
Import Duty (I.I.)	16,2%	CHF 16.574		
Subtotal		CHF 118.880		
Sales tax IPI	0,0%		CHF -	on CIF + I.I.
Subtotal			CHF 118.880	
Sales tax PIS	2,1%		CHF 2.496	on CIF + I.I.+ IPI
Sales tax Cofins	9,65%		CHF 11.472	on CIF + I.I.+ IPI
Subtotal			CHF 132.848	
Sales tax ICMS	18,0%		CHF 23.913	on CIF + I.I.+ IPI + PIS + Cofins
Subtotal			CHF 156.761	
Customhouse broker, warehousing, transport to importer's warehouse (estimate)		CHF 3.000		
Total COGS warehouse importer		CHF 121.880		
Total prepaid sales taxes (to be compensated upon resale)			CHF 37.881	

2.12. Documentation and procedures on imports

Most of import problems in Brazil are due to missing, incomplete or incorrect documentation. Brazilian customs officers are rigorous: If the dates in the transport and customs documentation do not comply with the sent goods (especially weight and quantity), custom clearance will be delayed or interrupted. In addition to delays and fines, it is even possible for the shipment to be lost.

The following documents are required, according to article 553 of the Customs Regulation:

- Import Declaration (DI) for all imports - must be organized by the importer through the SISCOMEX system
- Original shipping documents (BL or AWB), mandatory for all imports
- Original commercial invoice*, signed by the exporter - mandatory for all imports
- Proof of payment of taxes - mandatory, if required
- Packing list - where applicable

- Certificate of origin - where applicable
- Loading manifesto, to be required exclusively due to international agreements or specific legislation
- Confirmatory documents of the commercial transaction, in the case of an import declaration selected for the gray channel

* See a commercial invoice template provided by FedEx as an example, in editable pdf format, that contains the following items:

1. Shipment number
2. Export references (ie. order number, invoice number, etc.)
3. Shipper / Exporter (Complete name, address, telephone number and Tax ID number)
4. Consignee / Importer (Complete name, address, telephone number and importer's Tax ID number)
5. Importer – if other than consignee
6. Full description of goods
7. Country/Territory of Manufacture of each product
8. Unit Value of each product
9. Signature

Another important point of the Customs Regulation is the chapter about fines (Article 711). It says that a fine of one percent 1% of the customs value of the goods (CIF) is applicable:

III - When the importer or customs regime of the beneficiary omit or provide inaccurate incomplete information (regarding administration, tax, exchange rate or commercial operations) necessary to determine the appropriate customs control procedure.

Item 1 - The full name and address of the persons involved in the transaction: the importer or exporter purchaser (buyer) or supplier (seller), ***manufacturer****, buying agent or sales and marketing representative.*

For this reason, many Brazilian clients will require the Swiss company to disclose the manufacturer's name and address, in order to avoid fines, especially if the brand of the manufacturer is visible in the product, raising the attention of the fiscal.

In order to make commercial processes more efficient and transparent, centralizing the interaction between the government and the private sector, the Single Foreign Trade Portal Program has been gradually implemented by the Brazilian government.

Initiated in 2014, the program is scheduled to be completed by 2026, with recent improvements such as the air Cargo Control and Transit (CCT), a system that controls imports by air completely via digital documents, reducing the time previously spent by up to 80%, and the Flex License, that has simplified the routine and reduced costs for companies that need authorization to trade with other countries.

More information about this program: https://www.gov.br/siscomex/pt-br/conheca-o-programa/cronograma-de-implementacao

To find out if the operation will need authorization for the import to be completed, check the import simulator.

Although importers may clear merchandise through Brazilian customs themselves, this is often delegated to a customs agent *("despachante"*) or a freight forwarder.

Despachantes are organizations that provide a wide range of services with the purpose of expediting the customs clearance process. The customs clearance fees charged by these organizations are controlled by their union. *Despachantes* are employed not only because they can clear goods through customs faster, but also because they eliminate the need for permanent staff in the importing company to handle such matters.

2.13. Methods of quoting and payment

The import payment can be made in any currency, regardless of that registered in the Import Declaration - DI, including in Reais, observing that, in the payment of imports in a foreign currency other than that registered in the DI, the amounts involved must be correlated parity compatible with those practiced by the international market. Normally, imports must be paid within 360 days, but can be extended in some special cases. Imports with a payment period over 1 year are considered as a financed transaction and need special registration (ROF). Brazilian exporters of goods and services can keep all of the resources received abroad related to their exports.

Import payments can also be made using an international credit card issued in the country or, for operations of up to US$ 50,000.00 (fifty thousand United States dollars), or its equivalent in other currencies, through an international money order.

Quotations in FOB and CIF (Incoterms 2020) are common, but all other INCOTERMS are also possible, except for DDP as the Brazilian legislation does not allow foreign companies not present in Brazil to pay the import duties. The most used currencies are US$ and € but it is also possible to quote/ invoice in Swiss Francs. Payment terms can be in advance, collection (payment terms are freely negotiable, averaging 360 days), with or without a letter of credit coverage.

2.14. Duties and Taxes

Brazilian tax legislation is rather complex, consisting of several different taxes (*impostos*), charges (*taxas*), social and other contributions (*contribuições*). Please find below the most relevant taxes.

Federal Taxes

- Import Duty (II)
- Export Duty (IE)
- Income Tax (IRPJ and IRPF)
- Tax on industrialized products (IPI)
- Tax on financial operations (IOF)
- Tax on rural land property (ITR)

State Taxes

- Tax on circulation of goods and transportation and communication services (ICMS)
- Tax on motor vehicles (IPVA)
- Tax on inheritance and gifts (ITCD)

Municipal Taxes

- Tax on urban land and property (IPTU)
- Tax on real estate conveyance (ITBI)
- Tax on services (ISS)

Charges and contributions are also levied on all three levels. The most important are

- Social Contribution on net profit (CSLL)
- Social Contribution on revenues (PIS and COFINS)
- Withholding tax (IRRF) in foreign payments
- Contribution for intervention in economic domination (CIDE)

On December 20, 2023, the Brazilian National Congress enacted Constitutional Amendment 132 on tax reform. It is the first wide-ranging reform of the national tax system carried out under the 1988 Federal Constitution. Its main effect is the unification of five taxes - ICMS, ISS, IPI, PIS and Cofins - into a single levy, which will be divided between the federal (CBS: Contribution on Goods and Services) and state (IBS: Tax on Goods and Services) levels.

The tax reform is expected to enter into force gradually in 2027. See more information here: www.gov.br/economia/pt-br/acesso-a-informacao/acoes-e-programas/reforma-tributaria

2.14.1. Import duty (II)

The import duty is due upon clearance by customs of imported products, according to an ad valorem tax rate. The tax rate varies according to the tariff classification of the imported product (see topic 2.8). Imports of products are also subject to IPI (Tax on industrialized products), ICMS (Sales Tax) and PIS/COFINS-Import. These taxes, jointly with the import tax, are calculated as follows: the import tax is applied over the CIF price of the imported product; the IPI tax applies over the CIF price plus import tax; the ICMS tax applies over the CIF price, plus import tax, IPI tax, the PIS/COFINS-Import and the ICMS tax and the PIS/COFINS-Import applies over the CIF price.

2.14.2. Export duty (IE)

The export duty is due upon export transactions. The IE ad valorem tax rate is applied according to a limited product list and varies according to the type of product that is being exported.

2.14.3. Income tax (IRPJ and IRPF)

Individual Income Tax (“IRPF”)

Individual taxpayers residents in Brazil are subject to the payment of income tax on their global income with progressive tax rates as follows: (i) 0% for monthly income whose value does not exceed R$ 2,259.20; (ii) 7.5% for monthly income from R$ 2,259.21 to R$ 2,826.65 (iii) 15% for monthly income from R$ 2,826.66 to R$ 3,751.05; (iv) 22.5% for monthly income from R$ 3,751.06 to R$ 4,664.68 and;

(v) 27.5% for monthly earnings over the figure of R$ 4,664.68. Tax is withheld at the source and once a year, a tax declaration has to be made. Source: Gov.br.

Individuals that hold temporary visas are considered residents for tax purposes upon their entry in Brazil to work pursuant to a labor agreement. Further, individuals that hold temporary visas who enter Brazil for any other reason are considered residents for tax purposes after a permanence of 183 days in a 12-month period as of the date of entry. Expatriates treated as non-residents are subject to Brazilian income tax only in regard to the income earned from Brazilian sources, whether individuals or companies.

Corporate Income Tax ("IRPJ")

Corporate income tax (IRPJ) is currently 15% charged over net profits or presumed profits with a surcharge of 10% on taxable income that exceeds quarterly R$ 60'000,00. Income tax must be paid quarterly or monthly.

See chapter 11 of SWISSCAM Doing Business in Brazil guide for detailed information on the methods the taxpayer may adopt for the calculation and payment.

2.14.4. Social contribution on net profit (CSLL)

In addition to Corporate Income Tax (IRPJ) the Brazilian companies are subject to the payment of the social contribution on the net profit ("CSLL"). The current tax rate is 9%, with the exception of financial institutions that are subject to a CSLL rate of 20% (banks) or 15% (other financial institutions) – see Law 7,689/1998

There is a 1% reduction for companies which did not delay CSLL or any other tax or charge or loan payment in the last five years, according to article 38 of Law 10,637/2002.

2.14.5. Withhold Income Tax ("IRRF") in foreign payments – (services, royalties, interests)

In Brazil payments made to non-residents are usually subject to withheld income tax. As a general rule, remuneration paid by a Brazilian source for services supplied by non-resident individuals are subject to withholding income tax with rates between 15% and 25%. See table below for some types of payments, according to the Withholding Income Tax Handbook of the Federal Revenue Authority.

Income from residents abroad	**Rate**
Royalties, technical services and payment for technical assistance	15%
Interest and fees in general	15% or 25% if arising from the rendering of services
Interest on equity	15%

Rent and lease	15% 2024: 1% for aircrafts 2025: 2% for aircrafts
Financial investments	0% investments in government bonds and investment fund shares, emerging companies and private equity 10% stock investment funds, swaps and other futures transactions off the stock exchange 15% fixed income investments and other cases
Income and earnings of any nature	25% income from work and from retirement, civil or military pension 25% income from the rendering of services 15% other income In the case of a capital gain: a) 15% earnings that does not exceed BRL 5,000,000.00; b) 17.5% earnings that exceeds BRL 5,000,000.00 and does not exceed BRL 10,000,000.00; c) 20% earnings that exceeds BRL 10,000,000.00 and does not exceed BRL 30,000,000.00; or d) 22.5% earnings that exceeds BRL 30,000,000.00.
International freight	15%
Withdrawal of supplementary pension savings	25%
Payment of copyright fees	15%
Audiovisual, cinematographic and videophone works	15%

Law 14,537/2023 reduced the rate of withholding tax levied on amounts paid, credited, delivered, used or remitted to individuals or legal entities resident or domiciled abroad, intended to cover personal expenses, abroad, of individuals residing in the Country, on tourism, business, service or training trips or on official missions, up to the limit of BRL 20,000.00 per month, to:

- 6% (six percent), from January 1, 2023 to December 31, 2024;
- 7% (seven percent), from January 1st to December 31st, 2025;
- 8% (eight percent), from January 1st to December 31st, 2026; and
- 9% (nine percent), from January 1st to December 31st, 2027.

In the case of countries with which Brazil has signed a double taxation agreement (including Switzerland), the withhold income tax can be reduced. See full text of the agreement and rates here.

2.14.6. Tax on industrialized products (IPI)

This is a value added tax levied on manufactured goods which ranges, depending on the product, from 0% to 30% (can reach 300% for cigarettes). Charged rates can be found on https://www.gov.br/receitafederal/pt-br/acesso-a-informacao/legislacao/documentos-e-arquivos/tipi.pdf. The IPI tax is also due over the import of manufactured products in the case of import of a product used as an input and its subsequent sale by the importer. The IPI tax rates vary according to the product's essentiality.

2.14.7. Tax on financial operations (IOF)

Contributors to the IOF are individuals and legal entities that carry out credit, foreign exchange and insurance operations or related to securities. The tax is collected by the legal entity that grants the credit; institutions authorized to operate in foreign exchange; the insurers or financial institutions to which they charge the insurance premium; institutions authorized to operate in the purchase and sale of securities.

Concerning the credit transactions with term and values determined, the IOF applies over the main loan at a tax of 0.0041% per day, in case of legal entity borrower, or of 0.0082% in case of an individual borrower (article 7 of Decree 6,306/2007), followed by a supplement of 0.38% (see § 15 of the same article).

As part of Brazil's accession process to the Capital Liberalization Code of the Organization for Economic Cooperation and Development (OECD), Brazilian government is reducing IOF rate for exchange operations.

In the settlement of foreign exchange operations for the inflow of funds into the country, including through simultaneous operations, referring to a foreign loan, subject to registration with the Central Bank of Brazil, contracted directly or through the issuance of securities in the international market with a minimum average term up to one hundred and eighty days, IOF tax rate is 0% (Decree 6,306/2007, article 15-C, section I).

Acquisition of goods and services from abroad, withdrawals abroad, acquisition of foreign currency in traveler's checks and for international credit cards, intended to meet personal expenses on international trips, have a gradual IOF rate reduction from the current 6.38% to 5.38% in 2023, 4.38% in 2024, 3.38% in 2025, 2.38% in 2026, 1.38% in 2027 and 0% from 2028. The current tax rate for the acquisition of foreign currency, in cash (1.10%), will fall to 0% in 2028. The remaining exchange operations will reach 0% as of 2029.

For income arising from export IOF rate is 0%. In addition, a 0% rate applies to the inflow of funds to be invested in the Brazilian financial and capital market by non-residents.

In addition to the levy of IOF over credit and exchange transactions, this tax also is due over financial transactions related to insurances (mostly the tax is levied at a 7.38% rate. See complete list in article 22 of Decree 6.306/2007), title deeds and real estate (with taxes that in the majority of transactions oscillate between 0% and 1.5% - see article 29 of the same decree) and upon transactions with gold, financial assets, or exchange instrument, under the rate of 1% (article 39).

2.14.8. Tax on rural land property (ITR)

It focuses on properties located outside the urban areas of the municipalities. The rate is higher for larger area properties and low utilization, so as to discourage large unproductive estates.

Depending on the size and utilization grade, the tax is between 0.03% and 20% over the value of rural land which is not under environmental protection, according to Law 9,393/1996 (article 11).

2.14.9. Tax on circulation of goods, transportation and communication services (ICMS)

In summary, ICMS is a state value added tax (comparable with the Swiss “Mehrwertsteuer”) levied on goods in general and some services.

The ICMS tax rates and tax benefits vary from State to State and depend on the type of transaction (e.g., intrastate or interstate sale of goods, communication or transportation services, etc.). In the State of São Paulo the most common tax rates currently are (i) 12% over transportation services; (ii) 18% over internal operations and services, or in those started abroad; and (iii) 25% over communication services.

The ICMS is due over imports by companies and individuals, even when not considered taxpayers for the purposes of ICMS payment, at a tax rate of 18%. The other tax rates may be applied depending on the product/service. The tax rates may also vary in interstate transactions (usually 7% or 12% depending on the state of destination of products and services, or 4% in case of imported goods or goods with imported content higher than 40%).

The ICMS system allows the taxpayer to offset the ICMS paid upon the purchase of products and services with the tax amount due in subsequent taxable transactions (e.g., sale of goods and services subject to ICMS tax). See more information in chapter 11.16 of the SWISSCAM Doing Business Brazil guide.

Currently, January 2025, the following rates apply for the various estates:

Abbreviation	State	Rate
AC	Acre	19%
AL	Alagoas	19%
AM	Amazonas	20%
AP	Amapá	18%
BA	Bahia	20.5%
CE	Ceará	20%
DF	Distrito Federal	20%
ES	Espírito Santo	17%
GO	Goiás	19%
MA	Maranhão	23%
MG	Minas Gerais	18%
MS	Mato Grosso do Sul	17%
MT	Mato Grosso	17%

PA	Pará	19%
PB	Paraíba	20%
PE	Pernambuco	20.5%
PI	Piauí	22.5%
PR	Paraná	19.5%
RJ	Rio de Janeiro	22%*
RN	Rio Grande do Norte	20%
RO	Rondônia	19.5%
RR	Roraima	20%
RS	Rio Grande do Sul	17%
SC	Santa Catarina	17%
SE	Sergipe	19%
SP	São Paulo	18%
TO	Tocantins	20%

Source: COMSEFAZ

*ICMS rate in Rio de Janeiro is 20%, plus an additional rate of 2% for the State Fund to Combat Poverty and Social Inequalities (FECP).

It is highly recommended that you always check with the State Treasury Department the current tax rate. By doing so, you will avoid future problems with the tax authorities.

2.14.10. Tax on motor vehicles (IPVA)

The Motor Vehicle Property Tax (IPVA) is an annual tax paid by vehicle owners. The value of IPVA is calculated based on the value of the vehicle and its payment is a requirement for licensing the vehicle. The rate in São Paulo is 4%, except for specific vehicles. (Section V, article 9). In other states, the rate is between 1 and 4%.

2.14.11. Tax on inheritance and gifts (ITCMD)

The ITCMD is a state tax levied on the transmission of chattels or real estate property by way of donation or death (inheritance). Currently, in the State of São Paulo, the ITCMD tax rate is 4% of the appraised value of the chattels or real estate or the transmission of rights.

2.14.12. Tax on urban land and property (IPTU)

IPTU is levied on an annual basis and has progressive tax rates based on the use and appraised value of the real estate property.

Further information for the city of São Paulo:

https://www.prefeitura.sp.gov.br/cidade/secretarias/fazenda/servicos/iptu/index.php?p=2456

2.14.13. Tax on real estate conveyance (ITBI)

ITBI is a Municipal tax levied over the transfer of real estate property. The tax rates may vary according to the real value of the transaction or the appraised value of the real estate, whichever is higher. Note that, in the Municipality of São Paulo, the tax authorities are allowed to update the appraised value of the real estate through market researches. In addition, in the Municipality of São Paulo, ITBI has a fixed tax rate of 3%. The ITBI tax is not due in the transfer of real estate property in the events of merger of companies or contributions for the paying up of the capital stock in cases where the taxpayer's corporate objective is not related to the real estate activity.

2.14.14. Tax on services (ISS), except those subject to ICMS

ISS is a municipal tax levied on the supply of any type of services, as defined in federal Supplementary Law 116/03. The rate of ISS varies between 2% and 5%.

ISS is due generally for the Municipality where the supplier's facility is located. The exceptions are: civil construction, services acquired abroad, sweeping and collection of garbage services, treatment of effluents, environmental sewage, forestation, parking security, storage and amusement services. In these cases, ISS is due where the service was rendered or where the client is established.

The tax is not levied on exports of services abroad. Services developed in Brazil, in which the result is verified here, do not fall under this condition, even if the payment is made by a resident abroad.

2.14.15. Social contribution on revenues (PIS and COFINS)

The Contribution for the Financing of Social Security (COFINS) and the Social Integration Program (PIS) shall be levied over the revenues received by the Brazilian legal entities, with a few exceptions.

The legislation foresees two calculation systems for PIS and COFINS: the non-cumulative and cumulative (incidência não-cumulativa / cumulativa).

Under the non-cumulative system, the applied rates are 1.65% (PIS) and 7.6% (COFINS). Organizations included in this regime are those that calculate income tax based on Real Profit (lucro real) - with some exceptions.

Contribution paid on the following transactions can be offset against the contribution due on gross revenue (that means it works as a VAT):

1. goods acquired for purposes of resale, excepting for those goods expressly referred to;

2. goods and services used as input for the rendering of services and for the production or manufacturing of goods or products addressed to sale, including fuels and lubricants;

3. electrical and heat powers, including steam Power, consumed in the legal entity's establishments;

4. payment of leases of buildings, machines and equipment to companies for the use thereof in the company's transactions;

5. amount of the considerations of commercial lease transactions of legal entity;

6. machines, equipment and other goods incorporated to the fixed assets acquired or manufactured to be leased to third parties or used in the manufacturing of goods intended for sale or in the rendering of services;

7. buildings and betterments in own real property or real property pertaining to third parties used in the corporate activities;

8. goods received in return;

9. storage of good and freight in the sale transaction, for cases (i) and (ii), when the burden is supported by the seller;

10. meal coupons, transportation and uniforms provided to employees by a company which explores activities of cleaning, conservation and maintenance services; and

11. goods incorporated to the intangible assets, acquired for the utilization in the production of goods destined to sale or in the rendering of services.

Under the cumulative system, rates are 0.65% (PIS) and 3% (COFINS), but contribution cannot be offset against earlier payments. Companies working under the presumed profit regime (*lucro presumido*) must choose the cumulative system.

The general tax rates of the PIS and COFINS for imports of goods are 11.75% (2.1% PIS and 9.65% COFINS) and the tax basis shall be the customs value of the imported goods. In the import of services, the applicable tax rate is 9.25% (1.65% PIS and 7.6% COFINS) and the tax basis is the value paid, credited, delivered, employed or remitted abroad, before the deduction of the withholding income tax, plus the Municipal Services Tax (ISS) and the PIS and COFINS contributions. See detailed information on imports at https://www.gov.br/receitafederal/pt-br/assuntos/orientacao-tributaria/declaracoes-e-demonstrativos/ecf/perguntas-e-respostas-pessoa-juridica-2021-arquivos/capitulo-xxiii-contribuicao-para-o-pis-pasep-importacao-e-a-cofins-importacao-2021.pdf

Legislation (in Portuguese): https://www.in.gov.br/en/web/dou/-/instrucao-normativa-n-1.911-de-11-de-outubro-de-2019-221810934

http://www.planalto.gov.br/ccivil_03/_ato2004-2006/2004/lei/l10.865compilado.htm

2.14.16. Contribution for intervention in economic domain (CIDE)

The Brazilian companies that hold licenses to exploit rights, purchasers of know how or parties to contracts that imply in the transfer of technology executed with non-residents and domiciled abroad are subject to CIDE taxation.

The CIDE contribution is also paid by companies that supply technical services, administrative assistance and other similar services, as well as by the legal entities that pay, credit, deliver, use or remit royalties, of any type, to resident or domiciled beneficiaries abroad.

The payments for use license and rights for commercialization of software, in cases which do not involve technology transfer are not subject to CIDE.

The CIDE tax rate is of 10% and the taxpayer is the Brazilian legal entity.

2.14.17. International tax treaties

Brazil holds double taxation agreements with the following countries: Argentina, Austria, Belgium, Canada, Chile, China, Czech Republic, Denmark, Ecuador, Finland, France, Germany, Hungary, India, Israel, Italy, Japan, Luxembourg, Mexico, Netherlands, Norway, Philippines, Peru, Portugal, Russia, Singapore, Slovakia, South Africa, South Korea, Spain, Sweden, Switzerland, Trinidad and Tobago, Turkey, Ukraine, United Arab Emirates, Uruguay and Venezuela.

Further information (in Portuguese): https://www.gov.br/receitafederal/pt-br/acesso-a-informacao/legislacao/acordos-internacionais/acordos-para-evitar-a-dupla-tributacao/acordos-para-evitar-a-dupla-tributacao

The agreement between Brazil and Switzerland ("Convention to Eliminate Double Taxation in Relation to Income Taxes and Prevent Tax Evasion and Avoidance") was approved by the Swiss parliament in 2019. In Brazil, it was ratified in 2021 and entered into force in January 2022.

3. IMPORT REGULATIONS / NON-TARIFF RESTRICTIONS

The main information on import regulations and non-tariff restrictions are already covered on chapter 2 and 4. See in this present chapter specific information on mail delivery.

3.1. Mail order imports

The Brazilian Post Office (Correios) accepts imports of up to US$ 3,000 which are subject to a 60% import duty and weight limit is 30 kg. Exemptions are granted in case of medicine and imports under US$ 50, provided that they are performed between individuals or it is intended for the individual's use. See a complete list of products that are exempt from import taxes. Prohibitions and restrictions: https://www.correios.com.br/enviar/proibicoes-e-restricoes/proibicoes-e-restricoes.

Imports are subject to the Tax on Circulation of Goods and Provision of Services (ICMS), according to the legislation of each State (see chapter 2.15.14), being charged by the Post Office or courier companies.

In addition to taxes, it is worth noting that Correios and courier companies also charge the recipient other fees, such as customs clearance costs, for example, which have nothing to do with public bodies and are part of the private transaction between the client and service provider.

3.2. Prohibited imports

Prohibited imports in international shipping include:

- Goods intended for resale or to undergo an industrialization process when imported by an individual, except for imports made by a rural producer, artisan, artist, or similar;

- Counterfeit and/or pirated products;
- Goods offensive to morals, decency, health, or public order;
- Narcotic substances or drugs;
- Currency in cash;
- Products prohibited by administrative control bodies for health, metrology, public safety, environmental protection, sanitary controls, phytosanitary, and zoosanitary controls.

Prohibited imports as baggage include:

- Cigarettes and alcoholic beverages manufactured in Brazil intended exclusively for sale abroad;
- Cigarettes of a brand not commercialized in the country of origin;
- Replicas of firearms;
- Species of wild fauna without a technical opinion and license;
- Aquatic species for ornamental and agricultural purposes without permission from the competent authority;
- Counterfeit and/or pirated products;
- Products containing genetically modified organisms;
- Agrochemicals, their components, and related products;
- Goods offensive to morals, decency, health, or public order;
- Narcotic substances or drugs.
- Prohibited Goods according to Management Administrative Controlling Departments (e.g.: Sanitary Agency, Agriculture, Army)
- Prohibited items according to *Correios* (Brazilian post office company) or Courrier companies
- Goods prohibited in air transport.

See the prohibited and restricted products here and here.

More information on Brazilian non-tariff measure: https://wits.worldbank.org/tariff/non-tariff-measures/en/country/BRA

Customs hotline*	https://www.gov.br/receitafederal/pt-br/assuntos/aduana-e-comercio-exterior	International São Paulo (Guarulhos) Airport: +55 (11) 2445-5547; +55 (11) 2445-5020	email.sp.alfgru@rfb.gov.br; cac.sp.alfgru@rfb.gov.br

* Federal orientation about international orders in Brazil can be found at https://www.gov.br/receitafederal/pt-br/assuntos/aduana-e-comercio-exterior/manuais/remessas-postal-e-expressa/manual-de-encomendas-internacionais (content in Portuguese).

To customs clearance in Brazil, it may be very difficult to obtain information (or even get in contact) with Customs channels. So, it is advisable to contact the courier service hotline in order to obtain precise information and assistance regarding any orders.

4. PRODUCT REGISTRATION AND TECHNICAL STANDARDS

4.1. Registration procedures for food and health-related products

To find out if the product requires compulsory certification, which varies depending on the NCM (Nomenclatura Comum do Mercosul) / HS code, check the import simulator
https://portalunico.siscomex.gov.br/classif/#/sumario?perfil=publico

For example, to export food and medical products (drugs, medical supply, diagnostics, equipment and devices, products intended for aesthetic corrections), pharmaceutical raw materials, cosmetics, blood and its derivatives products, sanitizing products and disinfectant, tobacco and pesticides to Brazil, it is mandatory to have prior registration.

All of these products must be approved by the Health Surveillance Agency, ANVISA. In addition, products containing ingredients from animal origin (in general) must be approved by the Ministry of Agriculture, Livestock and Food Supply (MAPA). See complete information at www.gov.br/agricultura/pt-br/internacional/english/importing/animal/importing-animal-products.
Pesticides must be evaluated by three federal government bodies: MAPA, IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources), and ANVISA.

Only local companies may apply for product registration, and the company itself must also be approved by ANVISA. Additionally, the product must already be registered on its country of origin.

Depending on the product, the registration validity varies from one to ten years and may be renewed continuously for the same period. Request for an extension must be performed in the first semester of the last year of validity. For information about sanitary surveillance costs, see 4.3.

Instructions, directions, cautions, labels, brochures, and pertinent information about the products must be translated into Portuguese.

Further information (in English) about procedures, labelling and other requirements can be found on the ANVISA websites: https://www.gov.br/anvisa/pt-br/english

Brazil has become the 54th Participating Authority of the Pharmaceutical Inspection Co-operation Scheme as from January 2021, that allows a mutual acknowledgement between the inspections of ANVISA and SwissMedic.

4.2. Time for registration

Products subject to health surveillance: drugs, pharmaceutical inputs, medical devices, products for personal hygiene, perfumes, cosmetics, household sanitizers, products for esthetic purposes, among others, are subject to register or notification before Anvisa, depending on the risk they represent.

Register applies for products that represent a greater risk to health (class III and IV), whereas notification applies for smaller risks (class I and II, as established by each specific regulation (e.g. on drugs, medical devices, cosmetics). RDC No. 751/2022 provides and defines, in relation to medical devices, the risk classification rules; labeling requirements and instructions for use; and procedures for notification, registration, amendment, revalidation and cancellation of notification or registration. An English version of the RDC is available here.

In theory, if the required documentation is complete (technical information, product registration certificate from the Swiss Health Ministry or commercialization certificate of the country of origin), registration may take from 60 days to a year, depending on the product. The above deadlines may be extended by up to one third of the original deadline only once. In practice, the product registration process often takes more than one year depending on the risk class. See a detailed list with deadlines here.

4.3. Registration fee

A registration fee, called *"*Taxa de Fiscalização de Vigilância Sanitária*"* (TFVS), is charged by ANVISA upon submission of product registration (see table below). A Good Manufacturing Practices (GMP) certification is required from manufacturers, which must be renewed every two years. See more information at: https://www.gov.br/anvisa/pt-br/english/regulation-of-companies. Considering the complex legislation and the involved bureaucracy, assuming that your partner does not have a legal department, it is advisable to use the services of a law firm specialized on medical regulation.

The registration fee depends on the product and on the turnover of the Brazilian company which registers the product (and not of its Swiss producer). A complete list with the registration and other possible fees can be found in the table of values (Annex I) of the RDC 198/2017: https://www.in.gov.br/materia/-/asset_publisher/Kujrw0TZC2Mb/content/id/1432285/do1-2017-12-28-resolucao-rdc-n-198-de-26-de-dezembro-de-2017-1432281.

It is also possible to register groups or families of products. Please note that the table below is an overview of the registration fee related to some products. A complete list can be found using the link above.

Product	**Company Type**					
	Group I (big) Annual turnover over 50 Million	**Group II (big)** Annual turnover from 20 to 50 Million	**Group II (medium)** Annual turnover from 6 to 20 Million	**Group IV (medium)** Annual turnover from 3.6 Million to 6 Million	**Small** Annual turnover from 360,000 to 3.6 Million	**Micro Enterprises** Annual turnover below 360,000
	BRL	**BRL**	**BRL**	**BRL**	**BRL**	**BRL**
Food, food additives, beverages, bottled water and recycled packaging	10,637.40	9,041.79	7,446.18	4,254.96	1,063.74	531.87
Cosmetics	4,881.00	4,148.85	3,416.70	1,952.40	488.10	244.05
Medicines						
new products	157,416.00	133,803.60	110,191.20	62,966.40	15,741.60	7,870.80
similar products	41,000.40	34,850.34	28,700.28	16,400.16	4,100.04	2,050.02
generic drug products	11,714.40	9,957.24	8,200.08	4,685.76	1,171.44	585.72
phytotherapeutic and homeopathic drugs	10,637.40	9,041.79	7,446.18	4,254.96	1,063.74	531.87
Sanitizing products	15,619.20	13,276.32	10,933.44	6,247.68	1,561.92	780.96

Diagnostic and therapeutic equipment						
large scale	39,048.00	33,190.80	27,333.60	15,619.20	3,904.80	1,952.40
medium and small scale	15,619.20	13,276.32	10,933.44	6,247.68	1,561.92	780.96
Pesticides	3,172.14	2,696.32	2,220.50	1,268.86	317,21	158,61
Tobacco	196,770.00	167,254.50	137,739.00	78,708.00	19,677.00	9,838.50

Good Manufacturing Practices (GMP) certification (foreign country, except Mercosur)	72,804.90	72,804.90	72,804.90	72,804.90	72,804.90	72,804.90

4.4. Replacement of representatives

The product registration number is attributed to the Brazilian importer/agent, which takes responsibility for any problems occurring through the use of the product, but with no special rights on the product.

The Swiss company can always choose another partner, but the registration process needs to be redone under the name of the new agent.

It is also possible to register the same product in the name of several partners; however, each partner has to perform the whole registration process (and pay the involved fees).

The transfer of a product registration is applied in the following cases, according to RDC 102/2016, and updated by RDC 233/2018:

- Incorporation, merge or split-up
- Transfer of assets or a set of assets

Further information about medical product registration can be found in the Doing Business in Brazil guide of the Swiss-Brazilian Chamber of Commerce, chapter 19 (Pharmaceutical regulations).

4.5. Standards, Technical Provisions – Labelling Regulations

4.5.1. Entities involved in the definition of standards in Brazil

In 1973, Brazilian Federal law established SINMETRO (a National System of Metrology, Standardization and Industrial Quality), which is comprised of CONMETRO (the legislative arm formed by 9 ministries), INMETRO (the National Institute of Metrology, Standardization and Industrial Quality), ABNT (Brazilian Association of Technical Norms), IPEM (Institute of Weights and Measures) and accredited labs. INMETRO serves as the executive chair of SINMETRO.

Sinmetro is a Brazilian system consisting of public and private entities that perform activities related to metrology, standardization, industrial quality and certification of compliance.

Sinmetro has an infrastructure of technological services enabled to assess and certify quality of products, processes and services through certification bodies, a network of essay and calibration laboratories, training bodies, proficiency essay bodies and inspection bodies, all accredited by Inmetro.

This system supports standardization agencies, scientific and industrial metrology laboratories and legal metrology laboratories of the states. This structure is formed to meet the needs of industry, commerce, government and consumers.

4.5.2. Standards and technical regulations

Conmetro is the regulatory authority of Sinmetro and is chaired by the Minister of Economy. Conmetro (National Counsil to Metrology, Standardization and Industrial Quality) operates through its technical advisory committees, which are open to society through participation of entities representing the academic, industry, commerce areas and other activities with interest in metrology, standardization and quality in Brazil.

Inmetro is the National Institute of Metrology, Quality and Technology, a federal agency under the Ministry of Economy. As part of its broad institutional mission, Inmetro aims to strengthen national companies, increasing their productivity through the adoption of mechanisms aimed at improving the quality of products and services.

Its mission is to provide Brazilian society with confidence in measurements and products through metrology and conformity assessment, promoting the harmonization of consumer relations, innovation and the country's competitiveness. Among Inmetro's competences and attributions are:

- implement national metrology and quality policies;

- verify and supervise compliance with technical and legal standards with respect to units of measurement, measurement methods, materialized measurements, measuring instruments and premeasured products;

- maintain the standards of measurement units, as well as implement and maintain the traceability chain of measurement unit standards in the country, in order to make them harmonized internally and internationally compatible, aiming at their universal acceptance and use for quality of goods and services;

- strengthen the country's participation in international activities related to Metrology and Conformity Assessment, promoting exchanges with foreign and international entities and bodies;

- stimulate the use of quality management techniques in Brazilian companies;

- plan and execute Accreditation activities of Calibration and Testing Laboratories, proficiency testing providers, Conformity Assessment Bodies and others necessary for the development of technological services infrastructure in the Country;

- coordinate, within the scope of Sinmetro, the activity of Conformity Assessment, voluntary and compulsory of products, services, processes and people;

- plan and execute research, teaching, technological development in Metrology and Conformity Assessment activities; and

- develop activities related to service provision, technology transfer and technical cooperation, when focused on innovation, scientific and technological research in Metrology and Conformity Assessment.

When the need for normalization of a particular issue arises, ABNT (Brazilian association of technical standards) forwards the subject to the responsible Technical Committee, where it will be exposed to the

various involved sectors. Once the Draft Standard is prepared with the requested subject, it is submitted to National Consultation. In this process, the Draft Standard, prepared by a Study Committee representative of stakeholders and sectors involved with the subject, is submitted to the society for consideration. During this period, any interested party may speak without charge to recommend to the authoring Study Committee the approval of the text as presented; approval of text with suggestions; or its non-approval, and, for such, it must present the technical objections that justify its manifestation.

Typically, ABNT standards are voluntary, that is, they are not required by law, and so it is possible to supply a product or service that does not follow the applicable standard in the given market. On the other hand, supplying a product that does not follow the applicable standard in the target market implies additional efforts to introduce it into that market, which include the need to convincingly demonstrate that the product meets the customer's needs and to ensure that issues such as interchangeability of components and inputs will not represent an additional impediment or difficulty. From a legal standpoint, in many markets, when the applicable standard is not followed, the supplier has additional responsibilities regarding the use of the product.

Proposed voluntary standards that are open for public consultation can be accessed through: www.abntonline.com.br/consultanacional.

Voluntary standards can be adopted as mandatory technical regulations by any of the responsible ministries. Alternatively, these ministries may develop their own technical regulations. Brazil's technical regulations are available through INMETRO's website. This website provides access to both proposed and final technical regulations:

www.inmetro.gov.br/rtac

4.5.3. Product certification - INMETRO

How can I know if my product can/should be certified?

There are two types of certifications within the Brazilian Conformity Assessment System: Voluntary or Compulsory Certifications.

Compulsory certifications are those in which a regulation states that a company can only produce/market a product after its certification.

In this case, an Inmetro ordinance defines the mandatory requirements to be followed by all companies that produce a certain product, as well as the deadlines that the company will have to comply with the regulation.

The first step is to find out if there is a certification applicable to your product, and whether this certification is compulsory or voluntary. The list of products covered by Inmetro's Compliance Assessment Program can be found on the Inmetro website at the following link:

Products under Compulsory Certification:

http://www.inmetro.gov.br/qualidade/rtepac/compulsorios.asp

Where do I start the process for certifying my product?

Once you have confirmed that there is a certification program for your product, and find out if it is compulsory or voluntary, the next step is to assess whether your company meets the requirements to apply for certification by reading the corresponding standard or regulation. After this assessment, the company should look for an Inmetro accredited Product Certification Body (OCP) to perform the certification process for its product. To find out which OCPs are accredited to conduct certification of a particular product, the company should consult the Inmetro website, at:

http://www.inmetro.gov.br/organismos/consulta.asp

Which OCP should I choose? What is the best OCP for me?

There is no definition of “the best OCP” to perform a certification process. Having the list of accredited OCPs to perform the process of a particular product, the company should consult one or more of these, and choose the one that best meets their needs. Inmetro does not engage in these procedures. The institute's function is to accredit the Bodies, according to the rules defined by Cgcre (General Coordination of Accreditation). Upon accreditation, any OCP is recognized by Inmetro as competent to conduct the certification process for that specific product. Negotiation of certification deadlines and budget between OCP and companies that produce this product is free.

How much does a certification process cost? How long does it take to certify my product?

It is not possible to determine exactly the cost of a certification and the time to complete this process in a generic way as it varies from product to product according to the level of complexity of the tests required by a standard or regulation. Also, it is not possible to determine the certification price of a specific product, as there is no table setting the prices charged by OCP. In this way, each body is free to set its market prices. Therefore, companies should consult this value directly with accredited OCP.

What happens after I choose the OCP? How does this certification process work?

The OCP you choose will always be ready to answer your questions. Each regulation (or standard) establishes the procedures for product certification. Generally, certification processes consist of document review and product testing. Upon completion of these steps and possible corrective actions that may be required, the OCP issues a certificate for the product, declaring its compliance with the regulation or standard, and records this certificate with Inmetro.

4.5.4. Product certification - ANATEL

Anatel (Agência Nacional de Telecomunicações) is an entity that is part of the indirect Federal Public Administration, subject to a special autonomous regime and linked to the Ministry of Communications. It is administratively independent and financially autonomous.

Anatel is responsible for adopting the necessary measures to serve the public interest and to develop Brazilian telecommunications, acting independently, impartially, legally, impersonally and publicly. The Agency's duties include among others:

- managing the radio frequency spectrum and the use of orbits, issuing the respective standards;
- issuing or recognizing the certification of products, in compliance with the standards and regulations established by it;
- administratively settling conflicts of interest between telecommunications service providers;
- repressing violations of user rights; and
- exercising, with respect to telecommunications, the legal powers in matters of control, prevention and repression of violations of the economic order, except those belonging to the Administrative Council for Economic Defense (CADE).

The conformity assessment of telecommunications products ensures consumer access to tested products that meet quality, safety, and functionality standards. Items such as tablets, cell phones, and routers require mandatory assessment.

The process of certification is managed by a Designated Certification Body (Organismo de Certificação Designado - OCD), a legally constituted technical institution, under delegation from Anatel. See the list of OCDs here: https://www.gov.br/anatel/pt-br/regulado/certificacao-de-produtos/ocds

No telecommunications product can be used or sold in Brazil without Anatel's approval, which is personal and non-transferable. Approved products must display a seal with Anatel's logo and approval number.

4.5.5. Labelling

The Brazilian Customer Protection Code requires that product labelling provides consumers with correct, clear, precise, and easily readable information about the product's quality, quantity, composition, price, guarantee, shelf life, origin, and risks to the consumer's health and safety. Imported products should bear a Portuguese translation of this information. Since metric units are the official measuring system, products should be labelled in metric units or show a metric equivalent.

However, the information that should appear on the packaging depends on the type of product.

For example, food products must contain, in addition to the information mentioned above, additions to the nutritional value.

Thus, the company should seek specific information about each product.

Information resources on labelling:

Normative Instruction nº 75: https://www.in.gov.br/en/web/dou/-/instrucao-normativa-in-n-75-de-8-de-outubro-de-2020-282071143

Labels and Packaging Plant-based Products and Wines/Beverages (Official Standards): https://www.gov.br/agricultura/pt-br/assuntos/inspecao/produtos-vegetal/rotulos-e-embalagens

Product Registration and Labeling: https://www.gov.br/agricultura/pt-br/assuntos/inspecao/produtos-animal/empresario/registro-de-produtos-rotulagem

Labeling of products regulated by Anvisa (Brazilian Health Regulatory Agency): https://cvs.saude.sp.gov.br/legis.asp?p=rotulagelm

Technical regulation on how to indicate the net weight or dimensions of any product: http://www.inmetro.gov.br/legislacao/rtac/pdf/RTAC002775.pdf

5. CURRENCY REGULATIONS AND OTHER TRANSFER RESTRICTIONS

5.1. The Brazilian currency

The Brazilian monetary unit is the Real (R$ or BRL, plural Reais) which is divided in 100 cents, called centavos. Exchange rates on November2024: 1 USD = 5,6624 BRL, 1 CHF = 6,4966 BRL. Current exchange rates can be found on:

https://www.bcb.gov.br/conversao

The Brazilian Real is not freely convertible. Purchase and sale of foreign currency in Brazil, performed through authorized agents, is subject to governmental control. The Brazilian Central Bank allows the exchange rate to float freely, but may intervene occasionally "to ensure smooth functioning of the foreign exchange market" by means of swaps auctions and selling foreign currency in the spot market.

More information about the historical evolution of the Brazilian foreign exchange market and the current foreign exchange system modernization at:

https://www.bcb.gov.br/en/financialstability/fxpolicy. There is also an openly used, although illegal, parallel exchange market.

5.2. Foreign capital and investment restrictions in Brazil

General policy is to admit foreign capital and treat it in the same way as local capital. However, there are some restrictions on foreign investment in certain sectors (see below).

Foreign investments in Brazil must be registered with the Central Bank to enable foreign remittance or reinvestment of profits and/or interest on equity and repatriation of foreign capital invested in Brazil. The Brazilian government seeks to progressively encourage foreign capital investments in Brazil and is eliminating restrictions.

Except as noted below, 100% foreign ownership of local enterprises and joint ventures is normally permitted.

Sectors that are still subject to certain foreign capital restrictions or government permission:

- Banks and financial institutions;
- Exploitation and use of deposits, mines and other mineral resources;
- Coastal navigation for transport of products, with some specific exceptions;
- Ownership and administration of journalistic, TV and radio broadcasting companies;
- Purchase of rural real estate or property alongside border areas;
- Health plans, except for some specific cases.

See more details at https://swisscam.com.br/en/publicacao/doing-business-in-brazil/37-foreign-investment/

5.3. Registration of foreign investment with the Central Bank

The registration of foreign investments is currently performed by electronic format. The electronic registration statement, module RDE-IED (Electronic Registration Statement – Direct Foreign Investment) is effectuated through the Central Bank's computerized system, abbreviated "SISBACEN".

The registration of incoming money must be performed within thirty (30) days from the transaction date by the representative of the Brazilian company or investor that receives the investment. Non registration may result in fines that may total BRL 125,000.00 per transaction, according to Central Bank resolution 131/2021.

5.4. Foreign direct investment

Remittance of funds to Brazil as a capital contribution does not require a prior authorization of Brazilian authorities and the resources may be transferred to Brazil whenever the Brazilian company may need them. In order to access the funds, the Brazilian company must convert them into Brazilian currency. The foreign investor must have the taxpayer identification number (CNPJ for companies and CPF for individuals).

5.5. Reinvestment or remittance of profits and/or interest on equity

The dividends and/or interests on equity due to the foreign investor may be (i) remitted to the foreign investor or (ii) reinvested in the same Brazilian company or in another Brazilian company. The reinvestment is registered with RDE-IED in local currency.

The remittance of profits abroad is subject to two prerequisites: (i) the foreign investments must have been duly registered in the SISBACEN system; and (ii) the Brazilian company must yield a profit. The same applies to the payment of interest on equity (*juros sobre capital próprio*).

According to Law 9.249/1995, the remittance of dividends is not subject to withholding income tax, even when distributed to non-resident parent companies. On the other hand, the amount paid as profit distribution cannot be deducted as an expense of the Brazilian company for tax purposes.

Interest on equity intends to remunerate the investment on the basis of the equity. Opposite to dividends, payment of interest on equity is a tax-deductible expense. The payment or credit of interest on equity to the partner/shareholder is taxed by the withholding income tax at the rate of 15%. If the beneficiary of this payment is located in a tax haven, the income tax rate is increased to 25%. The total value of interest on equity payable or credited to the partners shall not exceed 50% of the accrued profits or fiscal year, whatever is greater.

5.6. Capital repatriation

The capital that may be repatriated free of taxes is up to the amount of the foreign currency indicated in the SISBACEN system. The amount that exceeds the registered investment cost characterizes a capital gain and causes withholding income tax at the rate of fifteen percent (15%), or twenty-five percent (25%) in case the beneficiary is located in a low-tax jurisdiction.

5.7. Foreign Currency Loans

Loans contracted in foreign currency extended to Brazilian companies must be electronically registered with the Central Bank in the SISBACEN, ROF module. The payment conditions of the principal and the interest rates cannot be considered excessive according to the Central Bank's policies in force at the time of the loan.

Although the payment of the principal is not subject to taxation, the payment of interest accrued thereto is subject to Withholding Income Tax at the rate of 15% (tax haven: 25%).

5.8. Exchange control in remittance to and from abroad for payment of services

The import of service operations that involve transfer of technology, licensing of intellectual property rights and production of scientific know-how are subject to registration with the National Industrial Property Institute (INPI) and Central Bank (through the ROF registration system), so that it is possible to: (i) remit payments abroad; and (ii) enable the use of the amounts paid as a deductible expense in income tax reports.

All other professional services supplied by foreign companies other than those quoted above are not subject to registration with the INPI and Central Bank.

According to Central Bank's Ruling No. 3,691/2013 article 90, the Brazilian exporters may maintain abroad the totality of the revenues related to the payments of their exports.

5.9. Exchange control on imports

All imports in Brazil must be declared in the SISCOMEX system. The imports with a payment term of more than three hundred and sixty (360) days are subject to registration with the Central Bank, in the ROF module. More information:
https://www.bcb.gov.br/content/estabilidadefinanceira/cambiocapitais/normas_cambio/rmcci/RMCCI-1-12.pdf

5.10. Declaration of assets maintained outside Brazil

Individuals (Brazilians or expatriates considered as residents for fiscal purposes) and legal entities resident, domiciled or headquartered in Brazil, must submit annually to the Central Bank a list of assets and rights with total value of US$1,000,000.00 or higher they hold outside of Brazil, according to resolution 4841/2020.

Furthermore, if the total sum of the above mentioned assets is equal to or higher than US$100,000,000.00 (one hundred million US Dollars) or its equivalent in other currencies, such individuals and legal entities must also submit the same declaration on a quarterly basis.

The delay or non-compliance with submission of the declaration, as well as provision of incorrect, incomplete or false information, will be subject to penalties to be applied by Central Bank.

5.11. Registry of individuals (CPF) and registry of corporate entities (CNPJ)

Individuals and companies established abroad that own property and hold rights in Brazil that are subject to public registration are required to enroll with the Individual Taxpayers' Registry (CPF) and with the General Taxpayers' Registry (CNPJ), respectively. CNPJ's registration number is issued as of company (legal entity)'s creation (see chapter 6); CPF can be issued directly on Federal website *Receita Federal* (link).

5.12. Exclusion of Switzerland in the list of privileged tax regimes

Since 2014, Switzerland is not anymore considered by the Brazilian Federal Revenue Service a "tax haven". After several negotiations and efforts, the Swiss government achieved to reverse the situation and the Brazilian government suspended the "tax haven" status. Now, both countries agreed on following a standard for automatic exchange of information on capital income, called the AIA. This procedure is based on OECD-standard and will take effect in 2019.

In 2018, an important agreement was signed between Brazil and Switzerland, the "Convention to Eliminate Double Taxation in Relation to Income Taxes and Prevent Tax Evasion and Avoidance". The Swiss Ambassador to Brazil, Pietro Lazzeri, emphasized it is an important step towards providing a clear legal and fiscal framework and facilitating investments. The agreement was approved by the Swiss parliament in 2019. In Brazil, it was ratified in 2021 and came into force in January 2022. More information:https://www.s-ge.com/sites/default/files/article/downloads/swiss_hub_-_dtt_brazil_and_switzerland_-_2022.10.17.pdf.

6. COMMERCIAL REGISTER AND OTHER SOURCES OF COMPANY INFORMATION

6.1. Board of Trade

Business registration activities are carried out through the Boards of Trade. Each state in Brazil has its own Board of Trade, which is administratively subordinate to the government of its respective state and, technically, to the National Department of Business Registration and Integration (DREI), a body belonging to the National Secretariat for Microenterprise and Small Business of the Ministry of Entrepreneurship, Microenterprise and Small Business.

See the complete list of Boards of Trade at https://www.gov.br/receitafederal/pt-br/assuntos/orientacao-tributaria/cadastros/cnpj/juntas-comerciais-conveniadas-para-inscricao-e-alteracao-do-cnpj/relacao-das-juntas-comerciais-conveniadas

Legislation: https://www.planalto.gov.br/ccivil_03/decreto/D1800.htm

6.2. Federal Revenue Office

On the website of the Brazilian Federal Revenue Office, it is possible to check the status of a company, provided that you have its CNPJ (National Registry of Legal Entities) number: https://solucoes.receita.fazenda.gov.br/servicos/cnpjreva/cnpjreva_solicitacao.asp

Legislation:
http://normas.receita.fazenda.gov.br/sijut2consulta/link.action?visao=anotado&idAto=127567

6.3. Other sources

The Brazilian financial information system Serasa possesses a wide database with economic and financial information about all Brazilian companies. A Serasa report comprehends contact information, business behavior, analysis of the accounting statements (indebtedness, repayment capacity, open bills). For your reference, please check available services at www.serasaexperian.com.br (only in Portuguese, with link to partners in other countries).

7. LEGAL FORMS OF COMPANIES

The Brazilian law provides support for various types of enterprises. The most frequent are Corporations (S.A.) and Limited Liability Companies (Ltda.) in the establishment of subsidiaries and joint ventures. This is due to the fact that, in both cases, participants have limited responsibilities. The law provides legal status to these companies as entities that are separated from its participants.

7.1. Limited Liability Company

One of the most popular types of business entity in Brazil, currently representing 32.84% of the companies registered before the country's commercial registries, the limited-liability companies (*sociedade limitada*, in Portuguese), regulated by article 1.052 et seq. of the Brazilian Civil Code, are largely consolidated by their use by Brazilian and international entrepreneurs. This type has several attractive advantages, to wit, limited liability of the partners, reduced setup and maintenance costs, no obligation of publication of organizational documents; and a possibility to use specific Joint-Stock Company rules, which may permit a more sophisticated management structure if partners or investors so desire.

Its capital is divided into quotas, between at least 2 members – although organization by a sole shareholder is already possible, as explained below – and its operating rules are established in articles of organization (*contrato social* in Portuguese), a document that will identify who are the partners, the amount of capital, the address of the main place of business and branches, who are the directors and what are the management rules of the company, among other information. The articles of organization are freely amended upon consent of the members, with new amendments superseding prior decisions, and taking effect as soon as they are registered before the commercial register (*Junta Comercial* in Portuguese) of the State of the Federation where the company is established. There is a minimum obligatory annual resolution in limited-liability companies dealing with the annual approval of accounts and appointment of directors where applicable. Such approval of accounts is mandatory and must take place, pursuant to article 1.078 of the Civil Code, within four months counted from the end of the fiscal year, the numbers of which are the object of the resolution.

The management of the limited-liability company is carried out by at least one Brazilian individual or a foreign citizen resident in Brazil with a permanent visa. The appointment is made directly in the articles of organization or in a separate document. The directors may or may not be partners of the company. In the latter case, they may be removed from office at any time, in the event of an indefinite term tenure. Directors who are partners may only be removed by the majority of the capital, unless otherwise provided in the articles of organization.

With the primary objective to simplify the procedure for initiating businesses in Brazil, the One-Person Limited Company ("*Sociedade Limitada Unipessoal*") company was created and converted into the Law 13.874/2019. This legal structure is a variant of the Limited Liability Company, allowing for sole ownership without the necessity of having partners. The entrepreneur's personal assets are distinct from those of the company, and there is no obligatory minimum amount for the Share Capital.

7.2. Joint-Stock Companies (or Corporations)

There are two subtypes of corporations (S.A. - *sociedade anônima*, in Portuguese), also called joint-stock companies (*sociedade por ações*, in Portuguese): publicly-held corporations, companies whose securities are publicly traded on securities markets, or closely-held corporations, whose papers are not publicly traded, thereby operating similarly as limited-liability companies. A corporation's capital is divided into shares, not quotas. It is governed by articles of incorporation (*estatuto social* in Portuguese), which may be freely amended by the controlling shareholders as often as necessary to accommodate the growth of the company.

Joint-stock companies also confer liability limited to the contributions of partners, as do limited-liability company. However, corporations are less used than limited-liability companies as it they tend to present higher management costs, chiefly due to the obligation to publish certain organizational documents. According to article 294 of Law 6,404/1976, closely-held companies with annual gross revenues of up to BRL 78,000,000.00 (seventy-eight million reais) may provide the publications required by law electronically, as well as replace the reports referred to in article 100 of this Law by mechanized or electronic records.

Despite its rarified use, a Corporation is a business entity type more suited to the development of businesses requiring a larger sum of capital, given its wide list of mechanisms for the raising of funds, and in addition, the possibility of using various types and classes of shares, which will be extremely useful when converting investments into equity, a typical situation when converting different rounds of funding in a startup, for instance. The corporation is a preferred mean for fundraising by investment funds, which have in their regulations the obligation to invest only in corporations, in light of their more sophisticated governance system.

7.3. Other Types of Companies

Apart from the *Sociedade Limitada* and the *Sociedade por Ações*, single-shareholder partnerships are extremely popular in Brazil. Be it an Individual Micro Entrepreneur (MEI – *Microempresário Individual,* Law No. 123/2006, articles, 18-A et seq.) or a One-Member Limited-Liability Company (*Sociedade Limitada Unipessoal*, in Portuguese) (Art. 1.052, §1º), single-partner types are practical and easy to organize.

Unincorporated Joint Venture (SCP – *sociedade em conta de participação*, in Portuguese), a type provided for in articles 991 et seq. of the Brazilian Civil Code, is a widely used depersonalized type, being effective only among the partners, the registration of its documents before any registry does not confer legal personality, pursuant to article 993 of the Civil Code. It is a de facto corporation, spearheaded by a general partner (*sócio ostensivo*), who deals with and is fully obligated before third parties, and where the limited partners (*sócio oculto*) participate by investing and receiving the profits. However, such protection may be jeopardized in the event the silent partner engages in management practices (art. 993, sole paragraph).

Less widely used is the General Partnership (*sociedade em comum*, in Portuguese), or de facto corporation (*sociedade de fato*, in Portuguese), which is a depersonalized type, where the liability of the members is joint and several (article 990 of the Civil Code), and the company is evidenced by any means by third parties, but exclusively in writing by the members (art. 987). It is quite true that there is a great risk of the members' personal property being involved in the event of company debts, which makes the type rarely used; on the other hand, it is a good temporary solution to start carrying out activities, since it does not engender organization and maintenance costs with bookkeeping or bureaucracy. The taxation of the partners will be pass-through.

In addition to the above, there are also minor corporate types such as limited partnership (*comandita simples*, in Portuguese) and limited partnership per shares (*comandita por ações*, in Portuguese), which are currently in disuse, ordinary partnership (*sociedade em nome coletivo*, in Portuguese), which resembles a de facto corporation, and the cooperative corporation (*cooperativa*, in Portuguese), which is always a partnership with specific form, of a civil nature, not subject to bankruptcy, and which are not intended for profit.

7.4. Foreign company in Brazil

A foreign company may only regularly operate in Brazil, whatever its purposes may be, even if through subordinated entities (subsidiaries, branches) after obtaining authorization from the Brazilian Government. The authorization application must be addressed through the Federal Government website, and it is processed and analyzed by the National Department of Business Registration and Integration (DREI).

All required documents (documents that attest, in general terms, the foreign company's incorporation in conformity with the laws of the home country) must be notarized by the relevant authorities and legalized by the Brazilian consular authority or through an apostille under the terms of the Hague Convention, translated in Brazil by a sworn translator and recorded with the Public Registry of Deeds and Documents *(Cartório de Registro de Títulos e Documentos*).

More information: Foreign Companies Handbook (Portuguese) and chapter 37 - Foreign Investment of the SWISSCAM Doing Business in Brazil guide: https://swisscam.com.br/en/publicacao/doing-business-in-brazil/37-foreign-investment/

8. REGULATIONS GOVERNING SALES AGENTS AND COMMERCIAL REPRESENTATIVES

The legal basis for the commercial law in Brazil is the Civil Code, except for the Maritime Commercial Law that is the only part of the old Commercial Code still in force.

An overburdened court system can take years to enforce property rights. The new Brazilian Code of Civil Procedure (in English) that entered into force in 2016 improved the procedures also for the companies in order to have more efficiency and transparency.

8.1. Sales representation and distribution agreement

The Brazilian law distinguishes between two representation contracts: **commercial representation** (agency), and **distribution**.

Sales Representation

An agency or commercial representation is an agreement whereby a legal entity or individual person acts as an intermediary in certain business transactions on behalf of a principal, with exclusivity within a defined area, on a regular and independent (non-employment) basis, receiving offers or orders for transmission as agent to the principal.

A perusal of this concept reveals the principal legal characteristics of the agency relationship, namely: a) business activity; b) regularity of services; c) acting as intermediary on conclusion of certain business; d) independent activity of the agent.

The agent's remuneration normally consists of commission on the sales in which it acted as intermediary. Note that, if the agent has the exclusive right to act in a given territory, it may be entitled to commission on business concluded within that territory even though he did not effectively participate in the sale. The manufacturer should therefore be careful to bear this point in mind.

Distribution agreement

A distribution agreement is a contract whereby the distributor assumes the obligation to resell, with exclusivity (unless agreed otherwise), for its own account, against payment, goods of a given manufacturer, in a defined area.

This type of contract may be regarded as a kind of commercial concession. The main difference is that distribution, due to its general nature, allows for sub-distribution; accordingly, the distributor, duly authorized by the distribution agreement, may use a network of sub-distributors in order to arrange for the placing of the product on the consumer market, although such sub-distribution must be subject to the rules dictated by the manufacturer.

The distributor, as already explained, negotiates for its own account. It purchases the merchandise in order to resell it with exclusivity in a certain area, the manufacturer in turn agreeing not to sell it to another dealer in the same area. If it does so, it will be obliged to remunerate the distributor.

As regards the method of remunerating the distributor, this is based on the margin that the distributor manages to obtain between the purchase price of the goods from the manufacturer and the resale price to its own customers. It should be emphasized that the distributor must be free to set the resale prices. It is normally prohibited for such prices to be stipulated by the manufacturer, although there is no prohibition on prices suggested by the manufacturer.

Termination of a contractual relationship

Generally speaking, it is well known that contracts may be terminated in five ways: a) because of some prior defect, which causes it to be null or voidable; b) by performance, with compliance with all the contractual obligations; c) by negligent non-performance, when there occurs unilateral or bilateral rescission; d) by voluntary willful non-performance, in the event of unilateral or bilateral termination; e) by involuntary non-willful non-performance, in the event of termination, for example, in cases of force majeure.

More information on the subject may be found on the Doing Business in Brazil Guide, Chapter 3: https://swisscam.com.br/en/publicacao/doing-business-in-brazil/3-agencia-distribuicao-e-compra-e-venda/

9. ENTRY CONDITIONS IN GENERAL AND FOR STAFF PERFORMING MAINTENANCE OR REPAIR SERVICES

Itamaraty (Ministry of Foreign Affairs) is the body responsible for granting visas, which occurs through Embassies, General Consulates, Consulates and Vice consulates of Brazil abroad.

Swiss citizens are exempted from visa requirements to entry in Brazil for Tourism or Business. The total stay in Brazil, including outings and multiple entries, is limited to 90 days every 180 days, and cannot be extended. However, passports must be valid for at least six months and a return ticket may be requested on arrival.

See a complete list with the entry visas to Brazil for all nationalities.

The Federal Police of Brazil requires an immigration form (entry/exit card) that has to be filled in on arrival (normally distributed on the flight or online version available for print). Half of the form must be retained and shown at the departure.

9.1. Main types of visas for foreigners travelling to Brazil

- Visit visa: for foreigners travelling to Brazil for a stay of up to 90 days, without immigration or paid activity purposes.

  I - tourism and transit;

  II - business;

  III - non-corporate events (conferences, seminars, events etc.);

  IV - artistic and sports activities

  V - other hypotheses defined in regulation.

  See complete list here : https://www.gov.br/mre/pt-br/embaixada-pretoria/vistos-visas.

- **Diplomatic visa**: for foreign authorities and foreign employees traveling to Brazil with a diplomatic status and in an official mission

- **Official visa**: for foreign administrative staff travelling to Brazil on an official mission

- **Courtesy visa**: granted to personalities and foreign authorities in an unofficial trip to Brazil (e.g. spouse or partner, regardless of their gender, dependents and other family members who do not benefit from Diplomatic or Official Visa)

- **Temporary visas**: granted to foreigners in the following situations:
  (1) VITEM I – research, teaching or academic purposes;
  (2) VITEM II – health care visa;
  (3) VITEM III – humanitarian visa;
  (4) VITEM IV – student visa;
  (5) VITEM V – paid work visa;
  (6) VITEM VI – working-holiday visa for persons traveling primarily for purposes of tourism, with the possibility of undertaking paid employment (this visa is granted on the basis of bi-lateral agreements, currently only with New Zealand, Australia, Germany and France);
  (7) VITEM VII – ministers of a religious organization or members of an institute of consecrated life and of a congregation or religious order;
  (8) VITEM VIII – voluntary work visa;
  (9) VITEM IX – investor visa;

(10) VITEM X – visa for activities of economic, scientific, technological or cultural relevance; (11) VITEM XI – family reunification visa;

(12) VITEM XII – artistic or sports activities visa;

(13) VITEM XIII – temporary visas due to international agreements;

(14) VITEM XIV – temporary visas due to Brazilian immigration policy; and

(15) VICAM – Temporary Visa for foreign doctors (medical training).

9.2. Residence permit

With the new immigration law (13,445/2017), the temporary visa extension and the permanent visa was eliminated. Currently, a residence permit must be required. Some specific cases:

9.2.1. Work

According to Normative Resolution 02/2017, that regulates the granting of residence permits for purposes of work with an employment relationship in Brazil, the proof of qualification and professional experience must be provided by the applicant employer, through diplomas, certificates or statements from the entities in which the immigrant has performed activities, demonstrating compliance with one of the following requirements:

- Proof of master or doctorate degree, with no need for proving professional experience.
- Proof of graduate course completion, with a minimum of 360 hours + 1 year of professional experience.
- Proof of higher education + 2 years of professional experience.
- Proof of specific training in technical level occupation + 3 years of professional experience.
- Proof of 12 years of schooling + 4 years of professional experience.
- Proof of minimum experience of 3 years in a profession whose artistic or cultural activity does not depend on educational training.

9.2.2. Technical Assistance / Technology Transfer

According to Normative Resolution 03/2017, that regulates the granting of a residence permit for the purpose of work without an employment relationship in Brazil, to provide **technical assistance services**, the following documents must be provided:

I - in the case of purchase and sale of equipment with technical assistance, copy of the document issued and signed by the Federal Revenue Service of Brazil; or

II - in the case of technical assistance in equipment resulting from a contract, cooperation agreement or agreement, a copy of the signed document that demonstrates the situation; or

III - in the case of technical cooperation between companies of the same group, a statement from the interested company with the identification of the parties and information on the existing associative bond.

As for **technology transfer** (Normative Resolution 04/2017), prior residence permits for the purpose of granting a temporary visa will be analyzed by the Ministry of Labor, upon presentation of the following documents:

I - copy of the contract, cooperation agreement or agreement that demonstrates the situation;

II - in the case of technical cooperation between companies of the same group, a statement from the interested company with the identification of the parties and information on the existing associative bond;

III - simplified training plan, in accordance with the provisions of the contract, agreement or convention, specifying the professional qualifications of the immigrant, the scope of training, its form of execution with the number of Brazilians to be trained, the place where it will be performed, the recipient company(s), duration and expected results; and

IV - other documents provided for in Normative Resolution No. 01/2017 of the National Immigration Council.

9.2.3. Trainee (professional training)

According to Normative Resolution 19/2017, that regulates the granting of a residence permit for the purpose of working without employment in Brazil, in order to receive professional training at a subsidiary, branch or head office in Brazil, the following documents must be provided:

I – proof of the link between the Brazilian subsidiary, branch or head office and the foreign company of the same economic group;

II – proof of the relationship between the immigrant and the foreign company belonging to the economic group;

III - simplified training plan, with the justification of the need for training of the immigrant in Brazil, specifying the scope, its form of execution, the place where it will be performed, the granting company(ies), the time of duration and expected results;

IV – statement by the company that the immigrant's remuneration will come from a source abroad; and

V – other documents provided for in Normative Resolution No. 01/2017 of the National Immigration Council.

The term of residence will be up to 02 (two) years, non-renewable.

9.2.4. Investment

According to Normative Resolution 13/2017, the Ministry of Labor may grant a residence permit to an individual immigrant who intends, with their own resources from abroad, to invest in a legal entity in Brazil, in a project with the potential to generate employment or income in the country.

The granting of a prior residence permit to an immigrant will be subject to proof of investment, in foreign currency, in an amount equal to or greater than BRL 500,000.00, upon presentation of an investment or business plan.

The Ministry of Labor may also authorize prior residence, for the purpose of granting the temporary visa, when the investment value is below BRL 500,000.00, and provided that it is not less than BRL 150,000.00, for the entrepreneur who intends to settle in Brazil with the purpose of investing in innovation activity, in basic or applied research, of a scientific or technological nature.

9.2.5. Family reunion

The visa or residence permit for family reunion purposes will be granted to the immigrant:

I – spouse or partner, without any discrimination, under the terms of Brazilian legal system;

II – child of a Brazilian or of a migrant beneficiary of a residence permit;

III – who has a Brazilian child;

IV – who has an immigrant child benefiting from a residence permit;

V – ascendant up to the second degree of a Brazilian or of an immigrant benefiting from a residence permit;

VI – descendant up to the second degree of a Brazilian or of an immigrant benefiting from a residence permit;

VII – sibling of a Brazilian or of an immigrant benefiting from a residence permit; or

VIII – who has a Brazilian under their guardianship, curatorship, or custody.

10. PROTECTION OF INTELLECTUAL PROPERTY

Patents, trademarks and copyrights

Federal Law 9,279 of May 14, 1996 regulates rights and obligations regarding industrial property. The protection of industrial property rights is afforded by means of: I. the granting of invention and utility model patents; II. the granting of a registration of an industrial design; III. the granting of a registration of a trademark; IV. the repression of false geographical indication; and V. the repression of unfair competition.

10.1. Patents

The life of a patent of an invention lasts up to 20 years and for an utility model is 15 years from the date of filing the application with the National Institute of Industrial Property (INPI). The title to patents is transferable. An interested party can apply for a compulsory license and-or for forfeiture of the patent when proving that the patent holder has not exercised the patent rights or has suspended exploration after a three-year period following the grant of the patent.

Pharmaceutical patent applications must have the authorization of the National Agency of Sanitary Surveillance (ANVISA) before submission to the Brazilian Patent & Trademark Office (INPI).

In 2019, Brazil signed the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. Trademarks in Brazil are now recognized in 115 countries, including Switzerland.

10.2. Trademarks and trade names

Trademarks in Brazil may be registered in the following forms: (i) nominative (only words); (ii) word and design (styled drawing, word or letters); (iii) figurative (only drawing); (iv) three-dimensional (drawing in three dimensions – example: product or packaging format); and (v) position mark.

In the event of a trademark application to be filed in Brazil which has already been requested in a country that has an agreement with Brazil or with an international organization, the right to priority can be granted, provided the time periods set in the agreement are fulfilled.

As provided in article 4 of the Convention of the Union of Paris (CUP), which Brazil is also a signatory party, the period to request priority is of six months for trademarks. Therefore, the trademark holder is entitled to the filing date in the country of origin, and any fact which occurs within this period (between the original filing and the filing in the country where the priority is requested) shall not prevent its registration in Brazil.

Registration is valid for ten years and may be renewed for similar periods indefinitely.

10.3. Industrial Designs

The registrations of industrial designs are issued without an examination on the merits, in a few months (in average 6 to 12 months) as of the filing of the application and are valid for 25 years, at maximum.

The Hague Agreement allows for the international protection of industrial designs and since August 2023, Brazil has also joined the agreement, so that Brazilian products can now be marketed in Switzerland and in more than 90 countries with this protection.

10.4. Copyrights

Law no. 9609 of February 19, 1998 governs copyright, the term encompassing the rights of authors and neighboring rights. Foreigners resident outside the country shall enjoy the protection provided for in the agreements, conventions and treaties in force in Brazil.

The provisions of this law shall be applicable to the nationals of and persons resident in countries that assure Brazilians or persons resident in Brazil of reciprocity in the protection of copyright or equivalent rights.

Brazil is a signatory of the Berne Convention for the protection of artistic and literary works, the Paris Convention for the protection of industrial property, the Washington Patent Cooperation Treaty, and is a member of the World Organization of Intellectual Property.

11. PROCEDURES FOR COLLECTING PAYMENT

Many payment problems may be prevented if, before closing a business deal, the Swiss exporter seeks information about financial background, solvency and payment behavior of the Brazilian counterparty.

The Brazilian financial information system Serasa possesses a wide database with economic and financial information about all Brazilian companies. A Serasa report comprehends contact information, business behavior, analysis of the accounting statements (indebtedness, repayment capacity, open

bills). For your reference, please check available services at www.serasaexperian.com.br (only in Portuguese, with link to partners in other countries).

Furthermore, the largest Swiss banks offer diverse services to streamline and secure transactions with Brazil, such as documentary credits, collections, guarantees or letters of credit.

Additionally, if the above instruments are not feasible, a very common procedure in Brazil is to ask a new client for a reference of three other suppliers.

Should the importer not pay, despite all these measures of precaution have been taken, the following steps are recommended:

1. Send a letter to the customer informing about the open account.
2. Call the client to ask the reason for the delay and try to negotiate a new deadline for payment. The new agreement must be formalized by e-mail. Continue with follow-ups or contract a collecting agent.
3. Make known the insolvency to institutions like Serasa (Once a company is on the “black list”, it is difficult for it to do new business in Brazil).
4. Ask your lawyer to get in contact with your customer, threatening with a legal action or a protest at the registry office (cartório).
5. Register the debt at the registry office and communicate this step to the debtor. This step is only possible if the importer can provide a promissory note, a contract, a bill of exchange or another securitized instrument. A commercial invoice is not sufficient. Further information about accepted documents, access https://protestosp.com.br/Info/Glossario (in Portuguese only).
6. Cash guaranties or pledge, if available.
7. Apply an action against the client. The attempt of a new agreement, however, is always worthwhile, as the legal system is extremely slow and expensive in Brazil. Lawsuits can take years.

An alternative to the legal way, faster and more efficient, is the arbitration and intermediation services offered by Arbitration Chambers, although involved costs can also be high. Among others, the Canadian Chamber (https://ccbc.org.br/cam-ccbc-centro-arbitragem-mediacao/en/) and the Eurochamber in Brazil (https://www.caeurocamaras.com.br/cae/pt/index.php) offer this service.

12. ENFORCING COMMERCIAL CONTRACTS AND RESOLVING DISPUTES

Establishing commercial contracts is a common and professional way of doing business in Brazil. As in any business relationship, there may happen difficulties in the accomplishment of terms. Preparing carefully the commercial agreement may prevent many of these issues and ensure a smooth accomplishment of obligations.

It is crucial to count on professional services when it comes to any legal aspect. Business and its entire package (contracts, finance, taxes, commercial and administrative tasks) has a very bureaucratical path in Brazil. Furthermore, legal assistance prevents mistakes (or even misconduct from other business partners/ suppliers). Legal assistance protects organizations in bureaucratical steps and ensures the business’ legality.

12.1. General orientation to establish a commercial contract in Brazil

There is no obligation to follow a specific template for commercial contracts In Brazil. Even though, some aspects must be followed:

a) Identify and include all parts involved in the business
b) Specify the conditions, obligations, delivery time and other details crucial to trade agreement' success
c) Include terminations terms and conditions
d) Use very clear and objective language in the contract redaction. Check the comprehension of terms and conditions with the other party to avoid misunderstandings (due country specifications or cultural differences for example) before signing it.
e) Hire a legal service locally. Even for some punctual services or demands, professional advice makes the difference and saves time and issues for all parts of the agreement.

Law number 4657/42 article 9th (LINDB - *Lei de Introdução às Normas do Direito Brasileiro*) establishes that in case of agreements conflict, to qualify and rule obligations, must be applied the law of the country where these obligations are constituted. For this reason, having a local lawyer is crucial.

12.2. Enforcing commercial agreements in Brazil

International contracts involve laws and regulations beyond two or more borders. It is important to highlight that even with a global trade agreement already ongoing between some legal entities around the globe, trade agreement parts will need to sign a local contract to reflect the global commercial terms – but locally, to ensure that the local specifications will be covered in a legal agreement stablished in Brazil. In short: local legal entities (national or foreign originated ones) must have a local commercial contract to enforce the agreement accomplishment under Brazilian legislation.

For commercial agreements including legal entities in Brazil, Brazilian judiciary can be invoked (despite the international category of the contract) to ensure the law application in the country.

Enforcing civil obligations accomplishment in case of debts:

By having an extrajudicially or judicially enforceable instrument, the interested part may file an execution procedure (always through an attorney assistance). Once the procedure is assigned, the judge will immediately summon the opposing part to pay the debt. Execution procedures must always be based on an instrument for a certain, liquid and payable obligation. If the interested party doesn't have an enforceable instrument, it will be necessary to file a cognizance procedure, in order to obtain it after a favorable award.

And again, clear comprehension and verbal agreement of parts before signing a commercial contract is very important for a smooth commercial trade accomplishment.

These and more insights of commercial contacts in Brazil can be found at https://chambers.com/articles/international-contracts-jurisdictional-insights-for-enforcing-rights-in-brazil.

12.3. Dispute resolution methods

Brazil is a civil law country where, in most cases, codified laws take precedence over judicial decisions. Brazilian legal system entered in a new era with the new Civil Code (*Código Civil*) advent, published in 2015 (Government Civil Code link: L13105). This new Code limits the right to file interlocutory appeals, encourages parties to settle at the outset, highlighting the importance of arbitration, mediation, and negotiation as alternatives for resolving disputes submitted to judicial courts.

The settlement of disputes outside a legal procedure can benefit business continuation and avoid long legal battles.

Dispute resolution methods practiced in Brazil are: negotiation, mediation, litigation and arbitration.

12.3.1. Negotiation

Having a very well stablished commercial agreement, the simplest and most effective way is to negotiate. Presenting the issue and offering a way to solve it in a business meeting with the focal points of the parties may solve the problem. This may easily (most of the time) enforce the accomplishment of commercial contract. Moreover, negotiation between the parties is also an effective way of preserving the commercial relationship. After the negotiation, an addendum to the original commercial contract may be necessary to cover some aspects not considered before – or some adjustments settled in negotiation.

12.3.2. Mediation

When parties have already tried to negotiate directly and it was not successful, mediation may be an option to enforce the commercial terms. Mediation is an assisted negotiation, and it may be played by legal departments of legal entities involved. Sometimes, in Brazilian business culture, other executives from each company (or from other legal entities interested in the trade agreement outcomes) are chosen to play the negotiation and enforce the commercial contract accomplishment.

12.3.3. Litigation

Litigation is also a dispute method to solve commercial / business disputes in Brazil. Its procedures start in Trial Courts, escalating the process to other superior Courts - according to the jurisdiction of the contract that is object of litigation.

- **Litigation procedures**

The usual litigation steps are:

a) Pleadings: initial Complaint and Service of Process.

b) Defendant's Response Phase: the answer to initial complaint - and a possible counterclaim.

c) Organization Phase: Conciliation Hearing and Decision on Preliminary Issues. Here, the judge decides the admissibility of the initial complaint. The judge defines the points in dispute, determines the production of evidence, and sets deadlines.

d) Evidentiary Phase: Evidence presentation, Witness Testimonies and Expert Examinations.

e) Final Arguments Phase: parties present their final arguments, summarizing the arguments and evidence presented.

f) Judgment Phase

g) Appeals Phase: here, the parties can appeal the judgment.

h) Enforcement Phase

i) Compliance with Judgment Phase: applied when the defendant does not comply voluntarily with the judgment, it may be necessary to initiate a phase to enforce the judgment.

j) Closing Phase: when the legal procedures are finally closed after compliance with the judicial decisions or due to other legal reasons.

- **Litigations costs:**

In Brazil, the unsuccessful party will be responsible for paying the litigation costs of the successful one. These litigation costs include the judicial fees and the other part's attorney's fees (that will also be analyzed by the judge to specify the fee amount to be paid).

12.3.4. Arbitration

Arbitration is a method of civil dispute resolution also widely chosen in Brazil; remembering that both international and domestic arbitrations are treated equally by Brazilian legislation.

The arbitral award results in the same effects of a court order and will be submitted to a similar enforcement proceeding.

The usual steps of an arbitration process, according to TozziniFreire law firm, are:

a) Arbitration request
b) Answer
c) Arbitrator's appointment
d) Terms of reference
e) Merits submissions
f) Merits hearing
g) Final written arguments
h) Final arbitral award

Arbitration average time completion is about 1,5 and 4 years, depending of the complexity of the dispute and evidences related (more reference in the link https://tozzinifreire.com.br/en/doing-business-in-brazil).

Legal specialists indicate arbitration advantages in comparison to courts:

a) Confidentiality available
b) Faster outcome
c) Choice of Law
d) Flexible procedure (designed by the Parties)
e) Disputes decided by experts
f) Friendly atmosphere (more room for settlement).

13. OVERVIEW OF PUBLIC PROCUREMENT SYSTEM

In Brazil, the Public Procurement System is the way public entities purchase services and goods. To settle the trade agreement with a public entity, after the seller definition a contract will establish the mutual terms and obligations.

According to Law N. 14.133/2021, the direct, autonomous and foundational Public Offices in the perimeter of Union, States, Federal District and Municipalities are those obliged to use the public procurement system to purchase goods and services.

This includes Legislative and Judicial entities plus special funds and other entities - directly or indirectly controlled by the Public Administration.

Public companies, mixed economy companies and their subsidiaries are not under this Law, having their own rules established by Law nº 13.303/2016 – *Lei das Estatais* (State-owned Companies Law), available at https://www.planalto.gov.br/ccivil_03/_ato2015-2018/2016/lei/l13303.htm. These companies may have specific public procurement processes according to the law each one responds to.

Considering this and other aspects that may bring both complexities and opportunities, we highlight the importance of consulting and hiring a legal specialized service provider to ensure legal accomplishment in doing business with local public companies.

13.1. Legal aspects of Brazilian public procurement system

As of 2024, Law nº 14.133/21 (the new Public Procurement and Contracts) is the only valid regulation for the public procurement system and replaces many other laws related to the same topic. Besides unifying the ancient legislation, this current law is more advanced and suitable for contemporary business, bringing transparency, efficacy and agility to public procurements and their contracts' execution.

Below, some positive improvements of the current legislation:

- **Previous Planning**

Public administration must elaborate a previous planning for the trade, and it must include risks analysis, technical specifications definition and cost estimation.

- **Systems**

It was launched the **Federal Government Purchasing System (**Compras.gov.br), that unifies public purchases for all federal public administration bodies and entities (it and can be used also by states and municipalities). Other systems and web platforms are listed in the topic **13.3 Systems**.

- **Objective criteria**

The new legislation establishes that commercial proposals analysis must be objective, considering pre-established criteria.

The public announcement (*Pregão*) became mandatory for common goods and services whose quality and performance patterns can be objectively defined by market usual specification. The supplier selection must be electronic, resulting in more competitiveness in public procurement system and transparency for population.

About analysis criteria, the new legislation provides, besides the lower price, the best discount, best technique or artistic content, better economic revenue and greatest bid (in case of auctions).

- **Sustainability supplier selection**

There is a greater attention paid to sustainability, with technical specifications considering environmental, social and sanitary features.

- **Sanctions**

The current Brazilian Legislation included in Penal Code the crimes related to criminal aspect. Besides, some penalties were increased, and faults committed under the ancient legislation will be punished according to the current legislation (even if the bid was closed under the ancient law).

- **Affirmative actions**

As an official act of affirmative initiatives announced by federal Government during International Womens' Day, President Lula signed a decree establishing that, in public hirings, a minimum of 8% of workforce must be composed by women victims of domestic violence; this condition applies to hiring continuous services under a regime of exclusive dedication of labor. Besides, equity between women and men will be a tiebreaker criteria for public procurement system (in Federal public administration scope).

Link: https://www.gov.br/gestao/pt-br/assuntos/assunto-sobre

13.2. Public Procurement Contracts Exemption

Even if a contract establishment is mandatory, it can be replaced by another document (as a contract letter, purchase authorization or service execution order) in some situations:

- Exemption of Public Procurement due financial value.
- Immediate and complete delivery purchase of goods not resulting in future obligations, as technical assistance (despite their value).

13.3. Systems

In addition to the **Federal Government Purchasing System,** other systems, platforms and websites are available to support the public procurement system:

- **National Pricing Registration System:** In Portuguese, "*Sistema de Registro de Preços Nacional*", or "SRP". This is a set of procedures for carrying out, through direct contracting or public procurement (auction or competition modalities), to formal registration of prices relating to the provision of services, works and the acquisition and leasing of goods for future contracting.

Legislation available (in Portuguese) at https://www.planalto.gov.br/ccivil_03/_Ato2023-2026/2023/Decreto/D11462.htm .

- **Public Hiring National Platform** (*Portal Nacional de Contratações Públicas* (PNCP), available at https://www.gov.br/pncp/pt-br. PNCP is a virtual platform gathering all purchase and contracts' information made by public entities. Federal hiring services/ acquisitions are automatically published, but States and municipalities must upload their purchasing info at the **Federal Government Purchasing System** (Compras.gov.br).

- **Public Procurement processes information** can be found at Transparency Portal (*Portal da Transparência)* at https://portaldatransparencia.gov.br/licitacoes.

- **Public Procurement Contracts** are also available at Transparency Portal (*Portal da Transparência*) website, at https://portaldatransparencia.gov.br/contratos .

These and more information about public procurement aiming the transparency of processes are available at https://portaldatransparencia.gov.br/entenda-a-gestao-publica/licitacoes-e-contratacoes.

13.4. Public Procurement Regulation for Foreign Entities

Participate of International Public Procurement in Brazil is a great opportunity to foreign companies. Nevertheless, it is crucial to understand requirements to ensure a proper participation according to Brazilian Law.

Here are some guidelines to be followed:

- **Legal Representative Person:** foreign companies must designate a legal representative person to represent them during the public procurement process.

- **Register the company at Sicaf:** foreign companies must be registered at the Unified Suppliers Registering System (*Sistema de Cadastramento Unificado de Fornecedores* - Sicaf), to enable their participation in Public Procurement Processes. Sicaf link: https://www3.comprasnet.gov.br/sicaf-web/index.jsf .
- **Documents presentation:** specific documentation will be requested (with translation and apostille), such as formal company documentation, negative debt certificates, technical and financial proof and so on.
- **Commercial proposal with foreign currency:** foreign companies are allowed to present their pricing proposal in foreign currency (since this option is explicit in the public procurement notice).
- **Financial assurances:** bank or insurance guarantees may be demanded.
- **Conditions equity:** the shares for delivery of services or products must be the same to all sellers, assuring the conditions equity.
- **Hidden Costs:** foreign companies must inform in the proposal all the hidden costs in products/ services, like taxes and fees.
- **Payment guarantee:** payment guarantee must be equivalent to both national and foreign companies, ensuring fair treatment for all public purchasing process participants.

Following these specifications, foreign companies can participate to Public Procurement System in a transparent way, according to Brazilian Law.

Other key factors for foreign companies according to current public procurement law

- **Definition and Publicity:** current legislation specifies international public procurement and requires the notice publication not only in Brazil, but also abroad – in international public procurements platforms. Additionally, it's possible to verify your export opportunities in various countries (as Brazil) at https://goglobal.s-ge.com/en/business-opportunities.
- **Differentiated Notice to Foreign Participation:** an international public procurement process' notice must explain the specifications to foreign participation, as guidelines listed on the topic above - **Public Procurement Regulation for Foreign Entities.**
- **Documents:** besides specific documentation, foreign companies must present equivalent pattern documentation – as Brazilian companies. In case of lack of equivalent document, a declaration with equivalent content will be requested. The list will be posted on the public procurement notice.
- **Consortium:** foreign companies can leader consortium in Brazil, with specific (non-equal) participation between its members.
- **Technical Attestation:** technical attestation issued by foreign entities is accepted – since they have translation attached and were issued by suitable entities.

SOURCES OF INFORMATION AND REFERENCES

- Brazilian Central Bank (Banco Central do Brasil): www.bcb.gov.br
- Brazilian Federal Government: www.gov.br
- Brazilian health regulatory agency (ANVISA): www.gov.br/anvisa/pt-br/english
- Brazilian Post Office (Correios): www.correios.com.br
- Inmetro: www.inmetro.gov.br
- Mercosur standards association: www.amn.org.br

- Receita Federal (Federal Revenue Department): www.gov.br/receitafederal
- SISCOMEX System (required licenses and the granting government agencies): www.gov.br/siscomex
- Swiss Federal Government: www.admin.ch
- SWISSCAM Doing Business in Brazil Guide: https://swisscam.com.br/en/publicacao/doing-business-in-brazil/
- Swiss-Impex: www.gate.ezv.admin.ch/swissimpex
- Switzerland Global Enterprise: www.s-ge.com
- World Bank: www.worldbank.org

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