Executive Summary

Banking

The Banco Central do Brasil (BCB) is responsible for monetary policy and is also Brazil's main banking regulator. In addition, the BCB is charged with ensuring the stability of the country's payments and settlement infrastructure.

The central bank compiles external cash flow statistics using data from banks authorized to undertake foreign currency transactions, as well as information solicited from enterprises, financial institutions and government agencies on transactions between resident and non-resident transactions.

Residents and non-resident entities may hold accounts denominated in Brazilian real (BRL) but only certain categories of legal or natural persons may hold accounts denominated in foreign currency domestically.

Brazil's banking sector has undergone an extended period of privatization and consolidation since the start of the decade, partly in response to a series of crises. Brazil has 131 universal banks, 20 commercial banks (including branches of foreign banks), 12 investment banks, four development banks, and one savings bank. There are also 992 credit cooperatives.

Payments

Brazil operates three clearing systems for BRL-denominated payments. As well as the central bank's real-time gross settlement system, the Interbank Payments Clearing House has separate clearing systems for low- and high-value credit transfers. A check clearing system is operated by Banco do Brasil.

Cash is widely used for retail transactions and checks remain one of most common non-cash payment instruments. Payment cards account for a larger proportion of retail payments, while credit transfers are the dominant instrument by volume.

Liquidity Management

Brazil offers a range of alternatives for bank short- and medium-term funding, as well as most typical short-term investments. Interest cannot be paid on current accounts.

Zero-balancing is permitted in Brazil but use is limited because of tax barriers. Local firms may establish cross-border cash concentration structures in which one multi-currency account acts as a header account, but BRL-denominated accounts or domestic bank accounts may not be included. Non-resident entities may not participate in cross-border sweeping structures based in Brazil. Notional pooling is not permitted.
Trade Finance

Brazil is a member of the Mercosur (Mercado Común del Sur – Southern Cone Common Market) trade agreement, and applies the relevant customs policies and regulations. Responsibility for foreign trade is shared between the Foreign Trade Chamber (CAMEX), Foreign Trade Secretariat (SECEX), Federal Revenue Secretariat (SRF) and the central bank (BCB). Brazil operates free trade zones in Manaus, Tabatinga, Macapá/Santana, Guajará-Mirim, Pacaraima, Bonfim, Cruzeiro do Sul and Brasiléia/Epitaciolândia.
PNC’s International Services

PNC can bring together treasury management, foreign exchange, trade finance and credit capabilities to support your international needs in a coordinated and collaborative way.

International Funds Transfers
International Funds Transfers to over 130 countries in USD and foreign currency can be accessed through PINACLE®, PNC’s top-rated, online corporate banking portal.

Multicurrency Accounts
Set up demand deposit accounts that hold foreign currency instead of U.S. dollars. These accounts offer a simple and integrated way to manage and move money denominated in more than 30 currencies, including offshore Chinese Renminbi. You can easily view deposit and withdrawal details through PINACLE.

PNC Bank Canada Branch (“PNC Canada”)
PNC Bank, through its full service branch in Canada, can help you succeed in this important market. PNC Canada offers a full suite of products including payables, receivables, lending, and specialized financing to help streamline cross border operations.

Multibank Services
PNC’s Multibank Services provide you with balances and activity for all your accounts held with PNC and other financial institutions around the world. PINACLE’s Information Reporting module can give you a quick snapshot of your international cash position, including USD equivalent value, using indicative exchange rates for all your account balances. You can also initiate Multibank Transfer Requests (MT101s), and reduce the time and expense associated with subscribing to a number of balance reporting and transaction systems.

Establish accounts in foreign countries
Establishing good banking relationships in the countries where you do business can simplify your international transactions. PNC offers two service models to help you open and manage accounts at other banks in countries outside the United States.

Foreign Exchange Risk Management
PNC’s senior foreign exchange consultants can help you develop a risk management strategy to mitigate the risk of exchange rate swings so you can more effectively secure pricing and costs, potentially increasing profits and reducing expenses.

Trade Services
PNC’s Import, Export, and Standby Letters of Credit can deliver security and convenience, along with the backing of an institution with unique strengths in the international banking arena. PNC also provides Documentary Collections services to both importers and exporters, helping to reduce payment risk and control the exchange of shipping documents. We assign an experienced international trade expert to each account, so you always know your contact at PNC and receive best-in-class service. And PNC delivers it all to your computer through advanced technology, resulting in fast and efficient transaction initiation and tracking.

Trade Finance
For more than 30 years, PNC has worked with the Export-Import Bank of the United States (Ex-Im Bank) and consistently ranks as a top originator of loans backed by the Ex-Im Bank both by dollar volume and number of transactions.¹

Economic Updates
Receive regular Economic Updates from our senior economist by going to pnc.com/economicreports.

¹ Information compiled from Freedom of Information Act resources.
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# Financial Environment

## Country Information

### Geographical Information

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<tr>
<th>Capital</th>
<th>Brasília</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>8,514,877 km²</td>
</tr>
<tr>
<td>Population</td>
<td>208.85 million</td>
</tr>
<tr>
<td>Official language</td>
<td>Portuguese</td>
</tr>
<tr>
<td>Political leader</td>
<td>Head of state and government — President Jair Messias Bolsonaro (since January 1, 2019).</td>
</tr>
</tbody>
</table>

### Business Information

<table>
<thead>
<tr>
<th>Currency (+ SWIFT code)</th>
<th>Brazilian real (BRL)</th>
</tr>
</thead>
</table>
| Business banking hours  | Business hours: 08:30-17:30 (Mon-Fri)  
Banking hours: 10:00-16:00 (Mon-Fri) |
| Bank holidays           | 2019 — March 4, 5, April 19, 21, May 1, June 20, September 7, October 12, November 2, 15, December 25, 31  
2020 — January 1, February 24, 25, April 10, 21, May 1, June 11, September 7, October 12, November 2, 15, December 25, 31  
2021 — January 1, February 15, 16, April 2, 21, May 1, June 3, September 7, October 12, November 2, 15, December 25, 31 |
| International dialing code | + 55 |

Source: [www.goodbusinessday.com](http://www.goodbusinessday.com).
## Country Credit Rating

FitchRatings last rated Brazil on August 1, 2018 for issuer default as:

<table>
<thead>
<tr>
<th>Term</th>
<th>Issuer Default Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short</td>
<td>B</td>
</tr>
<tr>
<td>Long</td>
<td>BB -</td>
</tr>
<tr>
<td>Long-term rating outlook</td>
<td>Stable</td>
</tr>
</tbody>
</table>

## Economic Statistics

### Economics Table

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (USD)</td>
<td>11,137</td>
<td>11,015</td>
<td>11,500</td>
<td>8,607</td>
<td>8,563</td>
</tr>
<tr>
<td>GDP (BRL billion)</td>
<td>4,403</td>
<td>4,845</td>
<td>5,521</td>
<td>5,904</td>
<td>6,217</td>
</tr>
<tr>
<td>GDP (USD billion)</td>
<td>2,254</td>
<td>2,247</td>
<td>2,346</td>
<td>1,773</td>
<td>1,781</td>
</tr>
<tr>
<td>GDP volume growth* (%)</td>
<td>+ 1.9</td>
<td>+ 3.0</td>
<td>+ 0.5</td>
<td>– 3.8</td>
<td>– 3.6</td>
</tr>
<tr>
<td>BoP (goods, services &amp; income) as % GDP</td>
<td>– 3.4</td>
<td>– 3.5</td>
<td>– 4.6</td>
<td>– 3.5</td>
<td>– 1.5</td>
</tr>
<tr>
<td>Consumer inflation* (%)</td>
<td>+ 5.4</td>
<td>+ 6.2</td>
<td>+ 6.3</td>
<td>+ 9.0</td>
<td>+ 8.7</td>
</tr>
<tr>
<td>Population (million)</td>
<td>202</td>
<td>204</td>
<td>204</td>
<td>206</td>
<td>208</td>
</tr>
<tr>
<td>Unemployment (%)</td>
<td>7.0</td>
<td>7.2</td>
<td>6.8</td>
<td>8.3</td>
<td>11.5</td>
</tr>
<tr>
<td>Interest rate (local currency MMR)† (%)</td>
<td>8.48</td>
<td>8.18</td>
<td>10.86</td>
<td>13.37</td>
<td>14.08</td>
</tr>
<tr>
<td>Exchange rate‡ (BRL per USD)*</td>
<td>1.9531</td>
<td>2.1561</td>
<td>2.3530</td>
<td>3.3269</td>
<td>3.4898</td>
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### 2017 vs 2018

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>GDP per capita (USD)</td>
<td>–</td>
<td>9,837</td>
</tr>
<tr>
<td>GDP (BRL billion)</td>
<td>–</td>
<td>6,560</td>
</tr>
<tr>
<td>GDP (USD billion)</td>
<td>–</td>
<td>2,056</td>
</tr>
<tr>
<td>GDP volume growth* (%)</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>BoP (goods, services &amp; income) as % GDP</td>
<td>–</td>
<td>– 0.6</td>
</tr>
<tr>
<td>Consumer inflation* (%)</td>
<td>+ 2.8</td>
<td>+ 3.5</td>
</tr>
<tr>
<td>Population (million)</td>
<td>–</td>
<td>209</td>
</tr>
<tr>
<td>Unemployment (%)</td>
<td>12.0</td>
<td>12.8</td>
</tr>
<tr>
<td>Interest rate (local currency MMR)† (%)</td>
<td>7.21</td>
<td>10.02</td>
</tr>
<tr>
<td>Exchange rate‡ (BRL per USD)*</td>
<td>3.247</td>
<td>3.191</td>
</tr>
</tbody>
</table>

Sectoral Contribution as a % of GDP

- Agriculture - 6.6%
- Industry - 20.7%
- Services - 72.7% (2017 estimate)

Major Export Markets

- China (21.8%), USA (12.5%), Argentina (8.1%), Netherlands (4.3%)

Major Import Sources

- China (18.1%), USA (16.7%), Argentina (6.3%), Germany (6.1%)
Political and Economic Background

Economics

Interest Rate Management Policy
Brazil’s monetary policy has been decided by the Monetary Policy Committee (COPOM) of the central bank since June 1996. The objective of monetary policy is the achievement of inflation targets set by the National Monetary Council (CMN).

Foreign Exchange Rate Management Policy
The official currency of Brazil, the Brazilian real (BRL), has been independently floating since January 1999. Foreign exchange policy is determined by the CMN.

Major Economic Issues
Brazil’s economy, the largest in Latin America, includes well-established agricultural, mining, manufacturing and services sectors. Despite a large domestic market and adoption of a free market and export-oriented policies, the country is still recovering from a deep recession in 2015 and 2016. Income inequality and unemployment remain relatively high.

In March 2018, the central bank decided to cut its Selic benchmark interest rate for the twelfth straight rate-setting meeting from 6.75% to 6.5%, a new record low, to help sustain the country’s gradual economic recovery amid falling inflation rate. Inflation stood at 3.75% in 2008, up from 2.95% in 2017 but below the midpoint of the central bank’s 2018 target range of 3% to 6%. The central bank’s inflation target has been cut from 4.5% in 2018 to 4.25% in 2019 and 4% in 2020.

In December 2016, Brazil’s Senate gave the final approval to a constitutional amendment that limits real increases in budget spending to zero for up to 20 years, a key economic reform proposed by the new government to halt the country’s spiralling deficit and revive its troubled economy. In July 2017, the Senate passed a government-sponsored labor reform, giving a boost to the government’s reform agenda.

The Brazilian economy experienced the longest and deepest economic contraction on record, with a 3.8% drop in 2015 followed by a fall of 3.6% in 2016, reflecting the impact of lower commodity prices, tighter fiscal and monetary policies and a significant drop in investment by Petrobras, Brazil’s state-owned oil company. A massive corruption scandal at the oil company has also affected Brazil’s weak economy with waves of job cuts in some parts of the country. However, Brazil emerged from its worst ever recession after its economy recorded quarter-on-quarter growth of 1% in the first quarter and 0.2% in the second quarter of 2017. GDP expanded by a revised 1.1% in 2017 as a whole. In December 2018, the central bank cuts its GDP growth forecast for 2018 from 1.4% to 1.3%, reflecting the deep impact of a nationwide truckers’ strike that paralyzed key sectors of the economy in late May. It kept its GDP growth forecast for 2019 unchanged at 2.9%.
In December 2015, the credit rating agency Fitch Rating downgraded Brazil’s sovereign credit rating, leaving the country one notch into junk territory. The agency attributed the downgrade to the country’s widening budget deficit, political turmoil and worsening economic situation. The move came three months after Standard & Poor’s (S&P) cut Brazil’s investment grade credit rating to junk, citing similar reasons.

Although Brazil paid off its outstanding USD 15.5 billion debt to the IMF in 2006, the burden has simply shifted to local currency debt. Brazil’s public debt level stands at over 40% of GDP and high social security spending continues to place a drag on economic growth. Brazil posted a USD 58.3 billion trade surplus in 2018, down from a record surplus of USD 67 billion in 2017. Despite the fall, it is the second best performance since records began in 1989.

**Politics**

**Government Structure**
Brazil is a federal republic in which both the head of the executive (president) and the legislature are elected by popular vote.

**Executive**
The president is both head of government and head of state. Presidential elections are held every four years. President Jair Messias Bolsonaro, of the Social Liberal Party (PSL), won the second round of the 2018 presidential elections and took office on January 1, 2019. The next presidential elections are scheduled for October 2022.

**Legislature**
Brazil's legislative body is the bicameral Congresso Nacional which consists of the Federal Senate (Senado Federal) and the Chamber of Deputies (Camara dos Deputados).

The upper house is the 81-member Senado Federal. Each of Brazil’s 26 states, plus the federal district, elects three senators to serve eight-year terms in the Senado. Elections are held every four years, but terms are staggered so that one-third of senators are elected in one electoral cycle, with the remaining two-thirds facing election four years later. Senators are elected on a majority basis.

The 513-member Camara dos Deputados is elected by proportional representation every four years.

**International memberships**
Brazil is a founding member of the Mercosur (Southern Cone Common Market) and the Latin American Integration Association (LAIA). It is also a member of the Bank for International Settlements (BIS), the World Trade Organization (WTO) and the G-20 (Group of Twenty) bloc of developing nations.

**Major Political Issues**
Jair Bolsonaro, a former army captain and far-right presidential candidate of the anti-establishment Social Liberal Party (PSL), was sworn in as Brazil’s new president on January 1, 2019.
Mr. Bolsonaro won the presidential election with just over 55% of the vote in the second-round of voting, compared to nearly 45% of Fernando Haddad, of the leftist Workers’ Party (PT), after campaigning on a promise to combine conservative values with economic liberalism. Mr. Bolsonaro has also promised to fight corruption and crime. However, critics are concerned by his praise of the country’s former dictatorship, and by his comments on race, women and homosexuality.

Mr. Bolsonaro succeeded Michel Temer, Brazil’s former vice president, who took office as president on August 31, 2016, a few hours after the country’s Senate voted to impeach and remove former president Dilma Rousseff from office. Market-friendly Mr. Temer, of the Brazilian Democratic Movement Party (PMDB), who had promised a “new era” of government for Brazil, remained in power for the remainder of Ms. Rousseff term until the end of 2018. Ms. Rousseff, of the Workers’ Party (PT), who became Brazil’s first female president on October 31, 2010, defeating José Serra, of the Brazilian Social Democracy Party (PSDB), was the chosen successor of former president Luiz Inacio Lula da Silva, who was Brazil’s first left-wing president in 40 years. In April 2018, former president Luiz Inacio Lula da Silva, handed himself in to police after a two-day standoff with the authorities, to begin a 12-year sentence for corruption.

Other immediate challenges are to reduce current public expenditure and tackle the country’s infrastructure woes and complex bureaucracy.
Taxation

Resident/Non-resident

A business is considered resident in Brazil if it is incorporated there.

There are specific situations in which non-residents may be treated as residents because their branches, local agents or representative offices operate in Brazil.

Tax Authority

Brazilian Revenue Service.

Tax Year/Filing

The tax year corresponds to the calendar year.

Every business entity in Brazil (including corporations, partnerships, branches and agencies of companies domiciled abroad) must file an annual income tax return for the previous calendar year by the last working day of June.

Corporate taxes (IRPJ and CSLL) are usually due on annual adjusted profit, with monthly advance payments; excess tax paid is available to offset future taxes.

Consolidated returns are not permitted and each company must file a separate return.

Corporate Taxation

Resident companies are subject to taxation on their worldwide income.

Non-resident companies are taxed on income from activities carried out in Brazil and on income originating in Brazil.

Corporate income tax (a combination of federal corporate income tax and social contribution taxes) applies to net income derived by a company in Brazil. Net income is defined as gross operating receipts, less the cost of goods sold or services rendered.

Brazilian companies may opt to be taxed on actual or presumed income. The Lucro Real method is based on actual annual or quarterly taxable income; the Lucro Presumido method is based on estimated or deemed taxable income.

Generally, corporate income tax under the Lucro Real method is assessed on net income (before income tax and social contribution tax accruals), adjusted for add-backs (non-deductible expenses, such as tax penalties) and exclusions (non-taxable income such as accounting adjustments relating to investments in subsidiaries and dividend income).

Subject to certain restrictions, businesses may elect to calculate corporate income tax on a quarterly basis on revenues from the supply of goods and services, financial income and any other...
revenue which a company may have, under the Lucro Presumido method (based on estimated or
deemed taxable income). In this event, the income tax depends on a presumed profit rate defined
in the legislation, and in some cases this method may result in a reduction in the tax burden.

The federal corporate income tax rate (IRPJ) is imposed on taxable income at 15%.

In addition to the statutory corporate income tax rate of 15%, a surtax of 10% on income in excess
of BRL 240,000 per year is imposed on legal entities.

There is no alternative minimum tax.

In general, social contribution (CSLL) at a rate of 9% is also imposed on net income, making an
overall rate of 34%. Specifically financial institutions and insurance companies are assessed for
CSLL at 20%.

IRPJ and CSLL are paid on a quarterly basis under the Lucro Presumido and Lucro Real Trimestral
(quarterly) methods and through monthly pre-payments with a final adjustment by the year-end
under the Lucro Real Anual (annual) system.

A foreign tax credit for qualifying foreign taxes paid is available to offset the IRPJ and CSLL
imposed on foreign-source income. Further limitations on the credit include a per-company
limitation for foreign subsidiaries (some consolidation of branches and of lower tier subsidiaries is
allowed) and a per-country limitation for foreign branches.

Dividends received from other Brazilian companies are not included in taxable income.

Qualifying small enterprises with annual gross income not exceeding BRL 4.8 million may elect to
be taxed under a simplified regime (for purposes of corporate income tax, federal excise tax (IPI),
federal social contributions on gross income (PIS and COFINS), state VAT on sales and services
(ICMS), tax on services (ISS) and social security contributions).

Profits generated by affiliated foreign subsidiaries or branches are taxable to resident companies,
whether or not distributed. If such profits are subject to income tax in the source country, this tax
may be offset against Brazilian tax if certain conditions are met.

Tax losses must be differentiated as ‘operating’ or ‘non-operating’. Non-operating losses may be
set off only against non-operating gains. Tax losses incurred in one fiscal year may be carried
forward indefinitely, but the amount of the carryforward that can be utilized is limited to 30% of
taxable income in each carryforward year. Carryback of losses is not permitted.

R&D projects and information technology qualify for some direct assistance and tax relief. An
exclusion is allowed from the corporate income tax base of 60% to 100% of R&D project expenses.
The IPI on the acquisition of assets is reduced and accelerated depreciation is allowed for R&D
assets. Subsidized financing is available to purchase capital goods, invest in infrastructure projects
and build ships. Export sectors qualify for duty drawback on imports and for special financing
through an export-promotion program. Exporters of manufactured goods are entitled to a tax
refund of a percentage of the value of their export revenue, depending on the type of goods
exported.
There also are regional incentives for federal and state taxes granted by the Brazilian government.

**Advance Tax Ruling Availability**

While there is no advance tax ruling system, Brazil allows formal consultations on the application of tax laws to the taxpayer’s specific facts. The resulting decisions are binding only on the taxpayer, with the possibility of an appeal depending on the existence of inconsistent separate decisions, in which case an affected taxpayer may request a final statement that binds all taxpayers that have received decisions on the same facts/law.

**Stamp Duty**

There is no stamp duty.

**Withholding Tax (Subject to Tax Treaties)**

<table>
<thead>
<tr>
<th>Payments to:</th>
<th>Interest</th>
<th>Dividends</th>
<th>Royalties</th>
<th>Technical fees</th>
<th>Branch remittances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident companies</td>
<td>0–22.5%</td>
<td>None</td>
<td>0%–1.5%</td>
<td>None</td>
<td>NA</td>
</tr>
<tr>
<td>Non-resident companies in non-tax-treaty country</td>
<td>0%/15%/25%</td>
<td>None</td>
<td>15%/25%</td>
<td>15%/25%</td>
<td>None</td>
</tr>
</tbody>
</table>

Interest paid to non-residents is generally subject to a 15% withholding tax, unless reduced by an applicable tax treaty. The rate is 25% if the recipient is resident in a tax haven.

No withholding tax is imposed on dividend distributions that are paid from profits earned from January 1, 1996. As from calendar year 2015, dividends are determined based on IFRS.

Royalty payments to non-residents are generally subject to withholding tax at a rate of 15%, or 25% if the recipient is resident in a jurisdiction deemed to be low-tax, as well as 10% CIDE (discussed below).

The general withholding tax rate on technical service and technical assistance fees, administrative assistance and similar payments to non-residents is 15%, unless the rate is reduced or eliminated under a tax treaty. The rate is 25% if the recipient is resident in a jurisdiction that is deemed to be low-tax. The CIDE also is imposed at a rate of 10%.

**Tax Treaties / Tax Information Exchange Agreements (TIEAs)**

Brazil has exchange of information relationships with 41 jurisdictions through 33 double tax treaties, and eight TIEAs (www.eoi-tax.org, January 2019).

**Transfer Pricing**

Brazilian transfer pricing rules only apply to cross-border transactions between related parties, or carried out with entities resident in countries considered by the Brazilian tax authorities to be low-tax jurisdictions or privileged tax regimes (PTR) (see below). The concept of related party
in the Brazilian transfer pricing rules may also encompass parties under exclusive arrangements. The Brazilian transfer pricing rules deviate from the OECD Transfer Pricing Guidelines and require statutory profit margins to be applied, rather than the arm's-length principle.

Profit-based methods are not allowed in Brazil. The regulations provide specific methods for import and export transactions. Calculations must be carried out on a product-by-product basis.

The transfer pricing rules also provide that interest derived from a cross-border loan is subject to certain limits, regardless of whether the loan agreement is registered with the Brazilian central bank. The limits vary, depending on the type of currency adopted, type of interest (fixed or variable), etc., and take into account market rates and a spread to be determined by the Minister of Finance.

For inbound financial transactions, where the Brazilian taxpayer is paying interest to a foreign related party, the annual spread is limited to a maximum rate of 3.5%. For outbound financial transactions, where the Brazilian taxpayer is receiving interest from a foreign related party, the annual spread has a minimum rate of 2.5%.

**Controlled Foreign Companies**

Profits earned by CFCs and certain foreign affiliates (non-controlled subsidiaries) of Brazilian entities are included in the base for calculating the IRPJ and CSLL liability of the Brazilian controlling or parent company.

Provided certain requirements are met, Brazilian taxpayers have the option to make an irrevocable election (on a calendar year basis) to consolidate the profits and losses of CFCs until 2022 and to carry forward losses incurred by CFCs for five years. Until calendar year 2022, a Brazilian controlling entity in certain business sectors may utilize a 9% presumed credit to offset the income tax related to CFC profits included in its taxable income.

**Disclosure Requirements**

Related party transactions and CFC information must be disclosed in the annual income tax return. CbC reporting standards are introduced as from fiscal year 2016.

**Tax Haven / Privileged Tax Regime**

The Brazilian government published guidance on June 7, 2010 (Normative Instruction No 1,037/2010) expanding the list of jurisdictions considered to be low-tax jurisdictions and introducing a new list of regimes designated as privileged tax regimes (PTRs).

Although PTRs are not deemed low-tax jurisdictions, stricter thin capitalization and transfer pricing rules may apply to payments benefiting PTR residents.

**Thin Capitalization**

Under Brazil's thin capitalization rules, interest paid to related parties that are not located in a low-tax jurisdiction or that do not benefit from a privileged tax regime may be deducted on an accrual
basis for corporate income tax purposes if (i) the expenses are necessary for the company’s activities, and (ii) both of the following thresholds are met:

- the related-party debt-to-equity ratio does not exceed 2:1 calculated based on the proportion of related-party debt to direct equity investment made by related parties; and

- the overall debt-to-equity ratio does not exceed 2:1 based on the proportion of total debt to total direct equity investment made by the related parties.

Interest paid to an entity or individual that is located in a low-tax jurisdiction or that benefits from a privileged tax regime (regardless of whether the parties are related) is deductible if (i) it is necessary for the company’s activities and (ii) both of the following thresholds are met:

- the amount of the Brazilian entity’s indebtedness to the low-tax jurisdiction resident does not exceed 30% of the net equity of the Brazilian entity; and

- the Brazilian entity’s total indebtedness to all entities located in a low-tax jurisdiction or benefiting from a preferential tax regime does not exceed 30% of the net equity of the Brazilian entity.

Any excess interest is treated as a non-deductible expense for IRPJ and CSLL purposes.

The transfer pricing rules affecting cross-border loans remain in effect, as do the general requirements for deductibility.

**General Anti-Avoidance**

General anti-avoidance rules apply. Under the rules, any amount paid, credited, delivered, used or remitted directly or indirectly to an entity or individual incorporated or resident in a tax haven jurisdiction or benefiting from a preferential tax regime may be deducted only if the taxpayer can identify the beneficial “recipient” of the proceeds, provide proof that the entity or individual has the operational capacity to carry out the transaction for which the payment is made, and submit documentation showing the purchase price paid and the receipt of goods, rights or the use of services. (See above under “Transfer pricing” and “Thin Capitalization” for additional rules specific to interest payments.)

**Real Property Tax**

The real property tax is collected by the municipality where property is located and is calculated on the deemed sales price of property. The tax rate varies by municipality, but may be estimated in the range of 0.3% to 1.5%.

Rural property tax is an annual federal tax assessed on the ownership of rural property at rates ranging from 0.03% to 20%, depending on the region and the utilization of the property.

A real estate transfer tax is due upon the transfer of title to real property (land, buildings). The tax rate is progressive, from 2% to 6%, calculated, roughly, on the sales price. The buyer is responsible for payment of the tax.
Cash Pooling

There are no specific tax rules relating to cash pooling arrangements.

Sales Taxes/VAT/Excise

Brazil operates a multiple rate system, with tax levied at the federal, state and municipal levels.

Two different value added taxes are imposed in Brazil on the importation and supply of goods and certain services.

The IPI is a federal excise tax, usually imposed on importation of goods and at the manufacturing level of the economic chain. The IPI rate varies depending on the type of product, but averages 20%. Exports are exempt.

The ICMS is a state VAT imposed on the importation and supply of goods and communication and certain transport services. The ICMS rates range from 4% to 25%.

IPI and ICMS are paid monthly.

Brazilian municipalities also impose a service tax (ISS) on the supply of services not subject to the ICMS. The ISS standard rate is 5%, although it may vary from 2% to 5%.

The importation of goods and services is subject to PIS/COFINS taxes (see below) at a combined rate of 9.25%.

Financial Transactions Tax

IOF (financial transactions tax) is levied on financial transactions such as loans, foreign exchange (FX), insurance, securities and gold transactions. As IOF is considered an instrument of economic policy, its rates can be changed by Brazilian authorities at very short notice.

The standard IOF financial rates depending on the type of transaction.

Variable income return transactions undertaken in the stock exchange and investments in shares listed in the stock exchange benefit from a 0% IOF rate on FX when certain conditions are met.

Capital Gains Tax

Capital gains are treated as ordinary income for tax purposes (subject to restrictions on the offsetting of capital losses against ordinary profits in certain cases).

Capital gains realized by non-resident entities may be subject to withholding tax between 15% to 22.5% (25% if the recipient is located in a tax haven).

Foreign investors in the financial market may be subject to different rates.

Capital losses realized in the current year may be relieved against ordinary income as well as capital gains.
Capital losses may also be carried forward indefinitely, but they may only be offset against capital gains.

**Federal Social Security Contributions on Turnover**

Although not corporate income taxes, the PIS/PASEP (social integration program) and COFINS (tax for social security financing) are federal taxes imposed on gross revenue at rates of 0.65% (PIS) and 3% (COFINS), where a Brazilian entity pays corporate income tax under the deemed taxable income regime. Where a Brazilian entity pays corporate income tax based on actual income, the PIS and COFINS rates are 1.65% and 7.6%, respectively. In the latter case, the Brazilian entity may use input PIS and COFINS credits to offset its PIS and COFINS liabilities. Export companies are exempt as long as funds actually entered the country. The importation of goods and services is subject to PIS and COFINS at a combined rate of 11.75% and 9.25% respectively.

**Royalty and Technological Services Taxation (CIDE)**

CIDE (Contribution to the Economic Intervention Domain) is a federal tax levied at a rate of 10% on the payment or credit of certain royalties (except for software) and technical services to non-residents.

The burden of CIDE lies with the Brazilian payee. CIDE is not a withholding tax and does not generally qualify for foreign tax credit.

Royalties are also subject to withholding income tax. Please refer to the table in the withholding tax section (above).

**Payroll and Social Security Contributions**

There is no payroll tax payable by employers.

Employers are required to contribute 8% of wages to each employee’s deferred salary account to the Severance Fund (FTGS), as well as 20% of an employee’s wages to the public pension system (National Institute for Social Security or INSS), and a maximum of 8.8% for other social security taxes.

In some business sectors, the 20% INSS contribution has been replaced by a contribution levied on gross revenue.

All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2018 (www.deloitte.com).
Banking System

Banking Regulation

Banking Supervision

Central bank
Established in 1964, Banco Central do Brasil (BCB) is an autonomous institution that operates under the 1988 Complementary Law of the National Financial System. As well as responsibility for monetary policy and other core central banking functions, the BCB is Brazil’s main banking regulator and is charged with ensuring the stability of the country’s payments and settlement infrastructure.

Other banking supervision bodies
Under Brazil's National Financial System legislation, the BCB is responsible for regulatory supervision of banks and other financial institutions, including foreign banks. Other regulatory bodies with oversight of Brazil's financial sector include the Securities Commission (Comissão de Valores Mobiliários), which regulates the securities market.

Central Bank Reporting

General
The central bank compiles statistics on external cash flows using data from banks authorized to undertake foreign currency transactions on behalf of clients as well as information solicited from enterprises, financial institutions and government agencies on transactions between resident and non-resident transactions involving domestic currency and foreign currency holdings.

What transactions – listed
Foreign currency transactions between resident and non-resident entities must be reported by authorized financial institutions via the central bank’s dedicated electronic reporting system.

Domestic currency transactions between resident and non-resident entities are subject to the central bank’s voluntary survey scheme.

Residents are required to report details of any assets held abroad to the central bank on an annual basis, as long as the assets are worth a minimum of USD 100,000.

Whom responsible
Banks authorized to conduct foreign exchange business must record every resident/non-resident transaction involving foreign currency.
Additional Reporting for Liquidity Management Schemes

There are no additional reporting requirements.

Exchange Controls

Exchange Structure

The official currency of Brazil is the Brazilian real (BRL). The exchange rate of the real is floating. Foreign exchange policy is determined by the National Monetary Council (CMN) and exchange controls on foreign capital are administered by the central bank.

Effective March 2008, export proceeds are exempt from surrender requirements. Proceeds from invisible transactions and current transfers are also exempt from surrender requirements.

As a member of LAIA (Latin America Integration Association), Brazil maintains regional payment and clearing arrangements with Argentina, Chile, Bolivia, Colombia, Mexico, Ecuador, Paraguay, the Dominican Republic, Venezuela, Uruguay and Peru via LAIA's multilateral clearing system.

Exchange Tax

Certain foreign exchange transactions are subject to a financial transaction tax (IOF). This is usually at the rate of 0.38%, although other rates can apply to specific transactions.

Effective June 4, 2014, repayment or interest inflows resulting from external loans with a minimum coverage maturity of up to 180 days are subject to a 6% IOF tax. Effective March 28, 2011, the IOF tax on remittances relating to the obligations of credit card administration companies to pay for client purchases is increased from 2.38% to 6.38%.

Effective December 28, 2013, the IOF tax on operations with debit cards, international pre-paid cards and travelers checks made abroad is increased from 0.38% to 6.38%.

Foreign exchange transactions associated with service imports are subject to a 0.38% IOF tax.

Effective July 27, 2011, an 1% IOF tax is levied on future foreign exchange transactions resulting in an increase in short dollar exposures. On September 15, 2011, the 1% tax was extended to future foreign exchange transactions resulting in an increase in long dollar exposures.

Effective June 4, 2013, the IOF tax levied on foreign exchange transactions related to most foreign investments in the local financial and capital markets is decreased from 6% to 0%.

Effective May 3, 2016, the IOF tax on the purchase of foreign currencies in cash is increased from 0.38% to 1.1%.

A 0% IOF tax rate is also applied on transactions such as: the inflow of export proceeds; interbank transactions between institutions authorized to operate in the foreign exchange market; foreign exchange transactions related to investments by investment funds in the international markets; foreign capital returns; outflows of interest on shareholders’ equity; and dividend remittances.

Exchange Subsidy

There is no exchange subsidy.
**Forward foreign exchange market**
Banks authorized to deal in the foreign currency markets must settle forward transactions within 360 days. Interbank and export transactions must be settled within 1,500 days.

**Capital flows**
Restrictions apply to foreign direct investment into certain economic activities. All foreign direct investments must be registered with the central bank. Effective September 2006, no restrictions apply to individuals or corporations making transfers abroad. No restrictions apply on the purchase of shares, bonds and securities abroad by residents.

Individuals that either import or export sums in excess of BRL 10,000 in cash/checks must notify the customs authorities.

**Loans, interest and repayments**
Repayment or interest inflows resulting from external loans with a minimum coverage maturity of up to 180 days are subject to a 6% exchange tax.

**Royalties and other fees**
Payment of royalties can only be made if the underlying patent or trademark is registered in both Brazil and the country of origin. Royalty and fee remittances abroad may not exceed 5% of gross sales. Remittance of patent and trademark royalties and technical assistance fees requires a certificate of approval from the central bank and the National Institute of Industrial Property (INPI). Withholding tax on royalties and other fees paid to foreign corporations is 15%, unless a lower rate has been agreed under a bilateral tax treaty.

**Profit remittance**
Brazil imposes no restrictions on profit remittances, but official documentation must be provided. Profits remitted abroad are exempt from corporate tax.

**Bank Account Rules**
Residents may hold bank accounts denominated in both domestic (BRL) and foreign currency in Brazil or abroad. Accounts held by residents in domestic currency cannot be freely be converted into foreign currency. Resident entities must be incorporated in Brazil. Only the following may hold a foreign currency account domestically: authorized foreign exchange dealers, Brazilian citizens abroad, the Brazilian Post Office Administration, credit card companies, companies involved in energy sector projects, tourist agencies that are not permitted to deal in foreign exchange, insurance companies, reinsurance companies, and reinsurance brokers.

Non-residents can hold domestic currency accounts in Brazil and can convert them into foreign currency. Only the following may hold a foreign currency account domestically: foreign citizens traveling through Brazil, international organizations, embassies, foreign delegations, foreign transportation companies, and reinsurance companies.

Banks cannot offer interest on surplus balances on current or short-term deposit accounts.
Anti-money Laundering and Counter-terrorist Financing

- Brazil has implemented anti-money laundering and counter-terrorist financing legislation (Law No. 9.613 of 1998, amended by Law No.10.467 of 2002, Law No.10.701 of 2003 and Law No.12.683 of 2012 plus associated regulations.) The Conselho de Controle de Actividades Financieras (COAF) has also issued a series of Resolutions and the Central Bank has issued a number of related Circulars.

- A Financial Action Task Force (FATF) member, it observes most of the FATF+49 standards.

- Brazil is also a member of the South American Financial Action Task Force (GAFILAT) and the Organisation of American States/Inter-American Drug Abuse and Control Commissions (OAS/CICAD).

- Brazil has established a financial intelligence unit (FIU), the Conselho de Controle de Actividades Financieras (COAF), which is a member of the Egmont Group. COAF is a separate entity within the Ministry of Finance.

- Account opening procedures require formal identification of the account holder and beneficial owner.

- Financial institutions are required to conduct ongoing due diligence.

- Financial institutions are required to identify customers making occasional transactions or wire transfers of BRL 1,000 and above.

- Financial institutions must identify customers making transactions exceeding BRL 10,000 in the same calendar month.

- Since 2005 banks are required to report to the COAF identifying data on both parties for all foreign exchange transactions and money remittances, regardless of the amount of the transaction.

- Financial institutions in the broadest sense are required to report suspicious transactions within 24 hours to the COAF.

- Banks must report actual or proposed cash transactions equal to or exceeding BRL 100,000 to the COAF.

- Individuals transporting more than BRL 10,000 in cash, cheques or traveller’s cheques into or out of Brazil must file a customs report that is sent to the Central Bank.

- All records must be kept for a minimum of five years after the completion of the last transaction or the termination of the relationship.

Data as at January 2019.
**Banking Sector Structure**

**Major Domestic Banks**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total assets (USD million) September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banco do Brasil</td>
<td>355,364</td>
</tr>
<tr>
<td>Caixa Econômica Federal</td>
<td>320,334</td>
</tr>
<tr>
<td>Banco Bradesco</td>
<td>275,600</td>
</tr>
<tr>
<td>Banco Itaú Unibanco</td>
<td>265,348</td>
</tr>
<tr>
<td>Santander</td>
<td>183,751</td>
</tr>
<tr>
<td>Banco Safra</td>
<td>36,882</td>
</tr>
<tr>
<td>BTG Pactual</td>
<td>36,677</td>
</tr>
</tbody>
</table>

Source: Banco Central do Brasil.

**Overall Trend**

Brazil’s banking sector has undergone an extended period of privatization and consolidation since the start of last decade, partly in response to a series of crises affecting the industry. Brazil's banking sector is one of the most well-capitalized and profitable in the region.

Brazil has 131 universal banks (i.e. which combine commercial, investment and retail banking services), 20 commercial banks (including branches of foreign banks), 12 investment banks, four development banks, and one savings bank. There are also 992 credit cooperatives. The government owns a number of large financial institutions, including two of Brazil’s largest banks – Banco do Brasil and Caixa Econômica Federal – but the recent round of consolidation by foreign and local banks has boosted total assets of the country's major privately owned banking groups.

Brazil’s second largest privately owned bank, Banco Itaú, and Unibanco merged in December 2008, creating what was, at the time, Latin America's largest bank, with USD 270 billion in assets. In December 2012, the new financial group, Itaú Unibanco Holding, formed a USD 492 million (BRL 1 billion) joint venture with Banco BMG to create a new payroll loans business, Banco Itaú BMG Consignado.

In October 2015, the government extended permission, first granted in 2007, for the state-owned Banco do Brasil (BB) and Caixa Econômica Federal to buy other local financial institutions until December 2018.

Among foreign banks, Santander became the third largest private bank in Brazil in terms of assets, after its 2008 acquisition of Banco Real, formerly part of ABN Amro. Citibank also has large operations in Brazil. In July 2016, HSBC completed the sale of its business in Brazil to Bradesco for USD 5.2 billion. HSBC kept part of its wholesale operations in Brazil to serve large Brazilian clients abroad, as well as foreign companies in Brazil.
In October 2013, China Construction Bank (CCB) agreed to buy 72% stake in Brazil’s BICBanco for BRL 1.6 billion. The deal was completed in July 2014.

Brazil’s once booming economy and strong BRL have given some top Brazilian banks the opportunity to expand operations abroad. Among recent deals are the acquisitions by Banco do Brasil of Argentina’s Banco Patagonia in 2010, and of US-based Eurobank in 2011. In September 2011, Banco Itaú Unibanco announced a deal to buy the Chilean retail operation of HSBC. In January 2014, Banco Itaú Unibanco agreed to buy Chile’s Corpbanca in a USD 2.2 billion cash and stock transaction. Itaú’s Chilean unit merged with CorpBanca to create a new bank, Itaú CorpBanca, in April 2016. The new bank also controls the banks’ Colombian subsidiaries.

In September 2009, Brazil’s Banking and Trading Group’s (BTG) acquired UBS Pactual, the Brazilian unit of Swiss financial group UBS. The bank, which now operates under the name BTG Pactual, has been expanding aggressively. A 2012 merger with Chilean brokerage Celfin Capital created Latin America’s largest investment bank, with more than USD 70 billion under management.

In May 2013, Itaú Unibanco announced the purchase of Credicard, Citigroup’s local non-banking credit card and consumer finance business, for USD 1.37 billion. The deal, which consolidates the bank’s position as Brazil’s leading credit and debit card issuer, was completed in December 2013.

In July 2014, the Brazilian investment bank BTG Pactual announced the acquisition of Swiss private bank BSI from Italian insurance company Generali, for USD 1.68 billion. BSI offers its services in Latin America through offices in Panama and Uruguay. The deal was completed in September 2015. However, in December 2015, BTG Pactual decided to put BSI up for sale, just three months after acquiring it. BTG Pactual has been rushing to sell assets to raise cash and restore investor confidence after founder and former CEO and chairman André Esteves was arrested in November in connection with a corruption scandal at oil group Petrobras. Swiss private banking group EFG International completed the acquisition of BSI in October 2016, and, as a result of the deal, BTG Pactual has become a shareholder of EFG International with a 30% stake.

In October 2016, Banco Itaú Unibanco agreed to acquire Citibank’s retail operations in Brazil for USD 220 million. The deal, which includes 71 branches, 315,000 clients and stakes in Tecban and Cibrasec, was completed in October 2017. Citibank has kept its wholesale operations in Brazil to serve its institutional and private bank clients in the country.

Brazilian banks have been relatively unscathed by the international financial turmoil. However, despite the Brazilian banks’ low exposure to sub-prime mortgage assets, risk aversion has reduced funds available to smaller banks in the country. The central bank has taken a number of measures aimed at loosening liquidity in the market, including lowering its reserve requirement rates on a number of occasions since September 2008 (most recently in March 2018). Brazilian banks have also shown stability amid Brazil’s current economic downturn, which has severely hit some of the industry’s largest clients.
Payment Systems

Overview

Brazil operates three separate clearing systems for BRL-denominated payments.

Banco Central do Brasil operates the STR (Reserves Transfer System) real-time gross settlement system that processes high-value interbank transfers and settles transactions from Brazil’s other clearing houses.

The Interbank Payments Clearing House (CIP), owned and operated by privately owned Brazilian banks, clears high- and low-value interbank transfers through separate sub-systems (CIP-SITRAF and CIP-SILOC).

The state-owned Banco do Brasil operates the national check clearing house, COMPE (Centraliser Clearance for Checks and Other Documents).

In addition, TecBan provides clearing and settlement for the shared ATM network Banco24Horas; Cielo (formerly VisaNet) and Rede (formerly RedeCard) provide debit and credit card clearing and settlement.
### High-value

<table>
<thead>
<tr>
<th><strong>Name of system</strong></th>
<th>STR (Sistema de Transferencia de Reservas)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Settlement type</strong></td>
<td>Real-time gross settlement</td>
</tr>
<tr>
<td><strong>Settlement cycle</strong></td>
<td>Same-day</td>
</tr>
<tr>
<td><strong>Links to other systems</strong></td>
<td>CIP and COMPE for final settlement</td>
</tr>
<tr>
<td><strong>Payments processed</strong></td>
<td>High-value financial and commercial electronic transfers (transferências eletrônica disponível – TEDs)</td>
</tr>
<tr>
<td><strong>Currency of payments processed</strong></td>
<td>BRL</td>
</tr>
<tr>
<td><strong>Value and other limits to processing</strong></td>
<td>No value threshold, but most payments are interbank transactions related to the capital, money and foreign exchange markets.</td>
</tr>
<tr>
<td><strong>Operating hours</strong></td>
<td>06:30–18:30</td>
</tr>
</tbody>
</table>
| **System holidays** | 2019 — March 4, 5, April 19, 21, May 1, June 20, September 7, October 12, November 2, 15, December 25  
2020 — January 1, February 24, 25, April 10, 21, May 1, June 11, September 7, October 12, November 2, 15, December 25  
2021 — January 1, February 15, 16, April 2, 21, May 1, June 3, September 7, October 12, November 2, 15, December 25 |
| **Cut-off times** | Customer payments: 17:30  
Interbank payments: 18:30 |
<p>| <strong>Participants</strong> | 220 institutions, including financial institutions, the central bank, the National Treasury Secretariat and other clearing houses. |
| <strong>Access to system</strong> | Access to the STR is primarily made through the National Financial System Network (RSFN), using a propriety XML-based messaging protocol. Access to the system can also be made via the internet, using the STR-Web application. Access via telephone is also available as a contingency measure. |
| <strong>Future developments</strong> | NA |</p>
<table>
<thead>
<tr>
<th><strong>Name of system</strong></th>
<th>CIP-SITRAF (Sistema de Transferencias de Fundos)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Settlement type</strong></td>
<td>Continuous net settlement</td>
</tr>
<tr>
<td><strong>Settlement cycle</strong></td>
<td>Same-day</td>
</tr>
<tr>
<td><strong>Links to other systems</strong></td>
<td>STR for final settlement</td>
</tr>
<tr>
<td><strong>Payments processed</strong></td>
<td>High-value electronic transfers (<em>transferências eletrônica disponível</em> – TEDs)</td>
</tr>
<tr>
<td><strong>Currency of payments processed</strong></td>
<td>BRL</td>
</tr>
<tr>
<td><strong>Value and other limits to processing</strong></td>
<td>Credit transfers below BRL 1 million can be made as TEDs through CIP-SITRAF.</td>
</tr>
<tr>
<td><strong>Operating hours</strong></td>
<td>04:00–17:25</td>
</tr>
</tbody>
</table>
| **System holidays**  | 2019 — March 4, 5, April 19, 21, May 1, June 20, September 7, October 12, November 2, 15, December 25  
  2020 — January 1, February 24, 25, April 10, 21, May 1, June 11, September 7, October 12, November 2, 15, December 25  
  2021 — January 1, February 15, 16, April 2, 21, May 1, June 3, September 7, October 12, November 2, 15, December 25 |
| **Cut-off times**    | 17:00                                             |
| **Participants**     | 95 participants                                   |
| **Access to system** | Access to the system is made through the National Financial System Network (RSFN). Banks submit payments via electronic file transfer. |
| **Future developments** | NA |
## Low-value

<table>
<thead>
<tr>
<th><strong>Name of system</strong></th>
<th>CIP-SILOC (Sistema de Liquidação Diferida das Transferências Interbancárias de Ordens de Crédito)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Settlement type</strong></td>
<td>Deferred net settlement system; there are two clearing sessions per day. In each session, just one nationwide net position is calculated.</td>
</tr>
<tr>
<td><strong>Settlement cycle</strong></td>
<td>T+1 for DOCs and collection orders; same day for TECs.</td>
</tr>
<tr>
<td><strong>Links to other systems</strong></td>
<td>STR for final settlement</td>
</tr>
<tr>
<td><strong>Payments processed</strong></td>
<td>Low-value credit transfers (documentos de crédito – DOCs and transferências especiais de crédito – TECs), collection orders (boleto de pagamento) and POS and ATM interbank transactions (TecBan)</td>
</tr>
<tr>
<td><strong>Currency of payments processed</strong></td>
<td>BRL</td>
</tr>
<tr>
<td><strong>Value and other limits to processing</strong></td>
<td>Credit transfers of BRL 5,000 and above must be made via TEDs and thus cleared by STR or CIP SITRAF.</td>
</tr>
<tr>
<td><strong>Operating hours</strong></td>
<td>Two settlement sessions are carried out on each business day. Participants are told of their net positions through electronic files, by 05:10 for the morning session and by 15:05 for the afternoon session. The first session, which ends at 08:20, settles obligations related to documents addressed the day before. The second cycle, which ends at 16:10, settles mainly returned items.</td>
</tr>
</tbody>
</table>
| **System holidays** | 2019 — March 4, 5, April 19, 21, May 1, June 20, September 7, October 12, November 2, 15, December 25  
2020 — January 1, February 24, 25, April 10, 21, May 1, June 11, September 7, October 12, November 2, 15, December 25  
2021 — January 1, February 15, 16, April 2, 21, May 1, June 3, September 7, October 12, November 2, 15, December 25 |
<p>| <strong>Cut-off times</strong> | 00:30 |
| <strong>Participants</strong> | 108 participants |
| <strong>Access to system</strong> | Banks submit payments via electronic file transfer. |
| <strong>Future developments</strong> | NA |</p>
<table>
<thead>
<tr>
<th><strong>Name of system</strong></th>
<th>COMPE (Centralizadora da Compensação de Cheques e Outros Papéis)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Settlement type</strong></td>
<td>Deferred net settlement system. As of November 2017, there is one clearing session per day; at the end of the session, a single net position is calculated for each participant. Previously, there were two clearing sessions per day.</td>
</tr>
<tr>
<td><strong>Settlement cycle</strong></td>
<td>As of November 2017, T+1 for all checks, regardless of their value. Previously, T+2 for checks below BRL 300; T+1 for checks equal to or greater than BRL 300.</td>
</tr>
<tr>
<td><strong>Links to other systems</strong></td>
<td>STR for final settlement</td>
</tr>
<tr>
<td><strong>Payments processed</strong></td>
<td>Truncated checks</td>
</tr>
<tr>
<td><strong>Currency of payments processed</strong></td>
<td>BRL</td>
</tr>
<tr>
<td><strong>Value and other limits to processing</strong></td>
<td>As of November 2017, there are no limits. Previously, checks above BRL 250,000 were cleared between banks bilaterally.</td>
</tr>
<tr>
<td><strong>Operating hours</strong></td>
<td>NA</td>
</tr>
<tr>
<td><strong>System holidays</strong></td>
<td>2019 — March 4, 5, April 19, 21, May 1, June 20, September 7, October 12, November 2, 15, December 25 2020 — January 1, February 24, 25, April 10, 21, May 1, June 11, September 7, October 12, November 2, 15, December 25 2021 — January 1, February 15, 16, April 2, 21, May 1, June 3, September 7, October 12, November 2, 15, December 25</td>
</tr>
<tr>
<td><strong>Cut-off times</strong></td>
<td>NA</td>
</tr>
<tr>
<td><strong>Participants</strong></td>
<td>Approximately 110 banks; participation is mandatory for all deposit-taking institutions.</td>
</tr>
<tr>
<td><strong>Access to system</strong></td>
<td>Access is via a network of one national clearing house, 15 regional and ten local clearing houses.</td>
</tr>
<tr>
<td><strong>Future developments</strong></td>
<td>NA</td>
</tr>
</tbody>
</table>
Payment and Collection Instruments

Overview and Trends

Cash is widely used for retail level transactions and checks remain a common form of non-cash payment instrument. However, payment cards now account for a larger proportion of retail payments than checks, while credit transfers are by far the dominant payment instrument by volume.

Statistics of Instrument Usage and Value

<table>
<thead>
<tr>
<th></th>
<th>Transactions (million)</th>
<th>% change</th>
<th>Traffic (value) (BRL billion)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checks*</td>
<td>864</td>
<td>731</td>
<td>-15.4</td>
<td>2,259</td>
</tr>
<tr>
<td>Credit transfers†</td>
<td>9,943</td>
<td>10,496</td>
<td>5.6</td>
<td>34,770</td>
</tr>
<tr>
<td>Debit cards</td>
<td>6,837</td>
<td>7,934</td>
<td>16.1</td>
<td>430</td>
</tr>
<tr>
<td>Credit cards</td>
<td>5,858</td>
<td>6,388</td>
<td>9.1</td>
<td>674</td>
</tr>
<tr>
<td>Direct debits‡</td>
<td>5,336</td>
<td>5,359</td>
<td>0.4</td>
<td>6,516</td>
</tr>
<tr>
<td>Total</td>
<td>28,838</td>
<td>30,908</td>
<td>7.2</td>
<td>44,649</td>
</tr>
</tbody>
</table>

* Includes inter- and intra-bank transactions. † Includes inter- and intra-bank TEDs, DOCs and bloquetos. ‡ Includes inter- and intra-bank transactions. Source: Banco Central do Brasil, August 2018.

Paper-based

Checks

Checks are very commonly used for retail and regular business transactions in Brazil (low-value checks, i.e. below BRL 300, account for approximately 80% of the total check volumes), but volumes have recently declined due to competition from payment cards and electronic credit transfers. Consumers regularly issue post-dated checks (cheques pré-datados); companies that receive large volumes of post-dated checks often use a check custody service from their banks.

As of November 2017, all checks are truncated and processed as electronic items by COMPE, on a T+1 basis, regardless of their value. Previously, checks above BRL 300 were processed on a T+1 basis and checks below that amount were processed on a T+2 basis while checks with a value equal to or greater than BRL 250,000 were settled bilaterally among banks via the STR real-time gross settlement system. Checks drawn on banks in remote locations may take between four to seven days to clear.

Bills of Exchange

Bills of exchange are used as short-term payment instruments in trade finance.
Credit Transfer

Credit transfers are increasingly common in Brazil for both retail and high-value payments and account for the largest proportion of non-cash payments by volume.

Banco Central do Brasil has announced plans to create the necessary conditions for the development of instant payments in Brazil. The central bank will develop rules for the new scheme, which will have a flexible and open participation structure in order to guarantee the access and the emergence of new service providers. The settlement infrastructure will be operated by the central bank and will be available 24 hours a day, seven days a week. Transactions will be settled on a real-time gross settlement basis. The new service will be phased in gradually from 2019 onwards and is expected to be fully operational by 2021.

**High-value**

High-value credit transfers (transferências eletrônica disponível – TEDs) are cleared either via the STR real-time gross settlement system or the hybrid CIP-SITRAF system. In either case, TEDs are cleared on a same-day basis and, as of January 15, 2016, can be used for any value transfer, with no minimum value limit. There is currently a BRL 1 million value limit in CIP-SITRAF.

TEDs must be used for any transfer of BRL 5,000 or above (there is no value limit in the STR).

**Low-value**

Credit order documents (documentos de transferência crédito – DOCs) and special credit transfers (transferências especiais de crédito – TECs) are used for low-value transfers between accounts at the same or different banks. DOCs and TECs are generally batch processed electronically, but can be submitted by companies or individuals at a bank branch, through internet banking systems or at ATMs. DOCs are cleared via CIP-SILOC on a T+1 basis. TECs are cleared via CIP-SILOC on a same day basis. DOCs and TECs have a maximum value limit of BRL 4,999.99.

**Cross-border**

Cross-border payments are generally effected via SWIFT instructions either to banks’ accounts held with correspondent banks or across banks’ international branch networks.

Transfers to and from Brazil may also be conducted via ITR (International Transfer of Reais). Transfers are made via non-resident accounts in BRL and do not require foreign exchange transactions. To reduce misappropriate use of these accounts, commercial banks no longer initiate transfers on behalf of third parties.

Bilateral trade transactions between Argentina and Brazil can be settled in both BRL and Argentine peso (ARS) through the Payment System in Local Currency (SML). The system eliminates the need to use US dollars to pay for foreign trade transactions between the two countries. It can process transactions of up to 360 days on trade of goods, including related services and other expenses such as freight and insurance. Bilateral trade transactions between Brazil and Uruguay can also be settled through the SML in both BRL and Uruguayan peso (UYU).
Direct Debits

Direct debits (débitos diretos) are used for regular payments such as utility and other consumer bills. Because direct debits may only be used where the originator and beneficiary have accounts at the same bank, companies that offer direct debits as a payment option must maintain accounts with several banks. Interbank direct debit services are available from Tecban, but their use is low.

Collection Orders

The BCB has replaced the collection orders known as bloquetos de cobrança with a new payment instrument called boletos de pagamento (commonly known as boletos). There are two types of boletos de pagamento: Boletos de cobrança (collection orders) and boletos de proposta (proposal orders) - these allow consumers to pay for goods and services offered to them. Boletos de proposta must be pre-authorized by the consumers, who are under no obligation to accept or pay for the goods and services offered to them. There are no consequences for the consumer if the payment is not effected.

Collections orders are issued by vendors of goods or services (either electronically or in paper-based format) and can be paid by purchasers either via internet or mobile banking, ATMs, or at the bank, using cash, card or check. Boletos use barcodes to contain all necessary invoice information and can be paid at any bank. Banks truncate paper-based boletos. Items with a value equal to or greater than BRL 250,000 are settled via the STR real-time gross settlement system on a same-day basis. Items with a value below BRL 250,000 are settled via CIP-SILOC on a T+1 basis.

Some companies capture the bar code information from the boletos and transmit the information electronically to their banks for payment. Banks send daily files to corporate customers listing paid boletos for reconciliation purposes. DDA (Débito Direto Autorizado), allows the collection and payment process to be fully electronic.

In July 2017, Febraban launched New Billing Platform (Nova Plataforma de Cobrança) aimed at improving the security of collection order transactions and increasing the level of transparency in the banking system. As part of the new scheme, the use of registered collection orders will gradually become mandatory. Vendors will benefit from the possibility of automatically filing an objection for unpaid collection orders, among other improvements. Purchasers will have access to the fully electronic DDA system and the ability to pay their collection orders at any bank, even after their expiration date. Since October 27, 2018, the New Billing Platform has processed collection orders with a value equal to or greater than BRL 0,01.

Payment Cards

Use of payment cards for retail transactions has grown significantly in recent years. Visa, MasterCard, American Express and Hipercard are all widely used. Visa and MasterCard process and settle most of their credit card transactions through both Cielo (formerly VisaNet) and Rede (formerly RedeCard) operations.
Sixteen companies are licensed to process payment card transactions in Brazil, with Cielo and Rede accounting for the vast majority of the market.

Payment services that allow businesses and individuals to accept card payments using an EMV-based devise that enables smartphones and tablets to be used as POS terminals are available in Brazil. These mobile point of sale solutions include iZettle, SumUp and First Data’s Bin Mobile.

Nubank, a Brazilian digital finance and payments company, and Banco CBSS, a joint venture between Brazilian banks Banco do Brasil and Bradesco, offer mobile-only credit card services in Brazil. Nubank has developed a MasterCard credit service that customers apply for and manage through their smartphones. In September 2016, Banco CBSS launched its new Digio digital Visa credit card service platform.

The number of credit cards in circulation decreased by 6.7% between 2013 and 2017 to 150.2 million. The number of debit cards in circulation rose 7.2% to 323.7 million over the same period.

**ATM/POS**

At the end of 2017, Brazil had approximately 175,580 ATMs. There were 4.1 million POS terminals in Brazil at the end of 2017. Although the major Brazilian banks operate their own proprietary ATM networks, around 33 financial institutions also participate in the Banco24Horas shared ATM network operated by TecBan. The Rede Verde-Amarela network operated by ATP Banking Technology on behalf of the Brazilian Association of State and Regional Banks (ASBACE) connects the ATM services of six state and privately owned banks. In 2017, 11.24 billion ATM transactions totaling BRL 2,528 billion in value were made.

**Electronic Wallet**

Banks offer pre-paid stored value cards. Theses cards can be reloaded and used to effect payment up to the value stored on the card.

Contactless card technology is being rolled out in Brazil, with Banco do Brasil and Visa payWave the forerunners. Banco do Brasil’s Ourocard card, powered with Visa payWave technology, allows cardholders to make low-value retail payments by waving their cards in front of a contactless reader. Visa payWave allows cardholders to pay with cards or mobile devices with built-in near field communications (NFC) technology by waving them over a supporting reader. Mobile payment schemes such as Samsung Pay, Google Pay and Apple Pay are also available.

Transactions are cleared through TecBan, Cielo (formerly Visanet) and Redecard.

There were 1.6 million cards with an e-money function in circulation in the country at the end of 2017.
Liquidity Management

Short-term Borrowing

Overdrafts

Overdrafts (conta garantida) may only be arranged for very short-term financing needs (typically 24–48 hours) and as such are not used as an ongoing funding source.

Bank Lines of Credit/Loans

Working capital loans (capital de giro) in BRL are available from commercial and investment banks for maturities of 30–90 days.

Subsidized finance is available from the National Bank for Economic and Social Development (BNDES).

Trade Bills – Discounted

Banks will discount trade bills (desconto de duplicatas) and promissory notes to provide 30–60 days’ funding to customers with good credit records.

Firms also borrow against foreign exchange contracts (adiantamentos de contratos de câmbio – ACC) on a discounted basis. This is attractive as it provides funding at USD interest rates, typically lower than BRL currency borrowing. Average tenor is 180 days.

Factoring

A range of factoring services is available in Brazil. As well as discounting trade bills and post-dated checks, providers will collect the receivables they have financed.

Factoring companies that provide credit to small firms using funding from the National Bank for Economic and Social Development (BNDES) are known as sociedades de crédito ao microempreendedor or SCMs.

Commercial Paper

Issuers of local currency commercial paper must place their paper through a bank or broker after registering with the Brazilian Securities Commission.

Bankers’ Acceptances

Bankers’ acceptances are not available in Brazil.

Supplier Credit

Supplier credit is not readily available as counterparties often settle on cash terms, but foreign suppliers may provide credit up to one year at a margin over Libor (London interbank offered rate).
Intercompany Borrowing, including Lagging Payments
Non-financial institutions may not engage in regular lending practices.

**Short-term Investments**

**Interest Payable on Bank Account Surplus Balances**
Banks are not permitted to offer interest on current accounts held by residents and non-residents.

**Demand Deposits**
Banks do not pay interest on demand deposit or sight accounts. Investors may withdraw funds at short notice. Such accounts may not be used for checks and other similar payments.

**Time Deposits**
Banks offer time deposits in local currency for maturities between 30 and 120 days. Deposits issued for minimum terms of one, two or three months are known as *fundos de investimentos financeiros* (FIFs).

**Certificates of Deposit**
Certificates of deposit (*certificados de depósito bancário* – CDBs) are issued by banks at fixed or floating terms with maturities of between 30 and 360 days.

**Treasury (Government) Bills**
Discounted treasury bills are auctioned weekly by the National Treasury and are available to resident companies and individual investors via the internet (Tesouro Direto). Available treasury bills include *letras do tesouro nacional* (LTNs), *letras financeiras do tesouro* (LFTs) and *notas do tesouro nacional* (NTN-C). The central bank also issues central bank bills (*letras do banco central* – LBCs) through daily auctions.

**Commercial Paper**
Domestic commercial paper is widely used as a financing instrument.

**Money Market Funds**
Money market funds are commonly available to Brazilian investors.

**Repurchase Agreements**
Repurchase agreements are not available in Brazil.

**Bankers’ Acceptances**
Bankers’ acceptances are not available in Brazil.
Liquidity Management Techniques

Cash Concentration

Cash concentration techniques such as zero-balancing are permitted in Brazil. The 0.38% CPMF (financial transaction tax) charge is not levied on debits between current accounts with a different tax identification number.

Non-resident accounts may participate in cash concentration structures, but lifting fees may apply on transfers between resident and non-resident accounts. In addition, transfers between resident and non-resident accounts must be reported to the central bank.

As resident companies are required to credit export receipts to an account held by a Brazilian bank abroad, firms may establish a cross-border cash concentration structure in which one multi-currency account acts as a header account. Funds collected in other jurisdictions are swept to the header account prior to repatriation. However, BRL-denominated accounts or domestic bank accounts may not participate in such a structure and the header account may not be located in Brazil.

Non-resident entities may not participate in cross-border sweeping structures based in Brazil.

Notional Pooling

Notional pooling is not permitted in Brazil.
Trade Finance

General Rules for Importing/Exporting

Brazil is a member of the Mercosur (Mercado Común del Sur - Southern Cone Common Market) trade agreement, and applies the relevant customs policies and regulations. Mercosur members include Argentina, Paraguay and Uruguay; Mercosur has trade agreements with Bolivia, Colombia, Cuba, Ecuador, Peru, Chile, Mexico and Israel. In December 2016, Venezuela was temporarily suspended from the bloc for failing to comply with a series of trade and human rights rules. In August 2017, Mercosur suspended Venezuela indefinitely for violating the bloc’s democratic principles, stating that that Venezuela will remain suspended until democratic order and stability is restored to the country.

In October 2015, Brazil and Colombia signed a trade agreement that allows for duty-free vehicle trade between the two countries, subject to quotas. Under the terms of the deal, imports of up to 12,000 vehicles had no import tariff in 2016, with the number increasing to 25,000 in 2017 and 50,000 in 2018.

On March 8, 2018, the US government imposed a 25% tariff on imports of steel and a 10% tariff on aluminum, claiming that such imports are a threat to national security. On March 22, the US government announced that Brazil was one of a group of countries to be granted temporary exemptions until the end of April 2018. In May 2018, the US government permanently excluded Brazil from its additional tariff on steel imports after Brazil agreed to limit its steel exports to the US. However, the Brazilian aluminum sector has decided to accept the 10% tariff.

Responsibility for foreign trade is shared between the Foreign Trade Chamber (CAMEX), Foreign Trade Secretariat (SECEX), Federal Revenue Secretariat (SRF) and the central bank (BCB). Brazil operates free trade zones in Manaus, Tabatinga, Macapá/Santana, Guajará-Mirim, Pacaraima, Bonfim, Cruzeiro do Sul and Brasiléia/Epitaciolândia.
Imports

Documentation Required
A customs declaration, commercial invoice (containing a full description), bill of lading, packing list, pro-forma invoice (for imports requiring a license), import registration and, in certain cases, a certificate of origin are required for importing items from Brazil. In addition, importers must be registered in the SECEX (Secretariat of Foreign Trade) Importer and Exporter Register.

Import Licenses
Most imports do not require import licenses. Some imports are subject to automatic licenses and some to non-automatic licenses.

Items that require import licenses from SECEX (Secretariat of Foreign Trade) or another appropriate agency or ministry are listed in Brazil’s Integrated Foreign Trade System (SISCOMEX) portal. Products subject to non-automatic licenses include products that may damage human, plant or animal health, weapons and products subject to import quotas.

Licenses are typically valid for 90 days but may be extended if the delay is justified by the importer.

With the exception of automobiles and sugar, Brazil requires no licenses for imports from fellow Mercosur member countries.

Imports covered by the LAIA agreement and goods imported through the Manaus and Tabatinga free trade zones are subject to licenses with quotas.

Import Taxes/Tariffs
A common Mercosur external tariff (CET) ranging from zero to 20% is in place.

Rates of 35% may be applied on automotive products, rates of 28% are applied on certain dairy products, rates of 26% are applied to certain fabrics, and a 20% tariff is levied on imports of toys.

In March 2012, Brazil imposed temporary quotas on car imports from Mexico. Under the terms of the renewed free trade deal on vehicles, Mexico will limit duty-free car exports to Brazil to an average of USD 1.55 billion a year over the next three years. A four-year extension to the pact, which expired in March 2015, has been agreed by the two governments.

In October 2012, the Brazilian government increased the rate of import tax on 100 products ranging from iron pipes and chemical and pharmaceutical products to glass, rubber tires and potatoes, to up to 25% to help protect local industry. The measure remained in force until August 2013, when import taxes on the items were cut to original levels of between 8% and 10%.

In October 2015, the government cut the rate of import tax on several capital goods and 15 computer and telecommunications goods that are manufactured in the country from 14% and 16%, respectively, to 2%. The measure remained in force until June 30, 2017.
Financing Requirements

There are no official programs to finance imports. External financing of imports for more than 360 days must be registered with the central bank, which may refuse authorization within a five-day window. The most frequent method of financing import is the documentary collection, followed by the letter of credit.

Risk Mitigation

No standard import protection program exists in Brazil. However, IRB-Brasil Resseguros SA (IRB-Brasil Re), a majority state-owned reinsurance company, covers political and extraordinary risks; private insurers also cover commercial risks.

Prohibited Imports

Brazil operates a negative list to protect public health and national security that includes agrochemical products, weapons and unlicensed drugs.
Exports

Documentation Required

A customs declaration, commercial invoice (containing a full description of the exported item), bill of lading, packing list, export registration, international shipment notification and, in certain cases, a certificate of origin are required for exporting items from Brazil. In addition, exporters must be registered in the SECEX (Secretariat of Foreign Trade) Importer and Exporter Register.

Export registration of most goods shipped by mail worth less than USD 50,000 is not required.

Export Licenses

Authorization from SECEX is required for exporting items including animals, plants, tobacco, minerals and weapons.

A number of items are subject to export quotas, including cars (Mexico), poultry, beef (Hilton quota), sugar (Europe) and milk (Colombia). Certain exports covered by the Mercosur-Colombia and Mercosur-Israel agreements are also subject to quotas.

Export Taxes/Tariffs

There are relatively few taxes on exports. Exceptions include a duty of 9% on raw hides, and a duty of 150% on exports of cigarettes to Latin American countries as well as weapons and ammunition exported to Central and South America (excluding Argentina, Ecuador and Chile) and the Caribbean.

Proceeds

Export proceeds are exempt from surrender requirements. Proceeds from invisible transactions and current transfers are also exempt from surrender requirements.

Financing Requirements

There are no standard financing requirements for exports. However, the state-owned Banco do Brasil SA and Brazilian National Development Bank (BNDES) are Brazil’s official export-promoting institutions. Banco do Brasil finances exports of capital goods in accordance with the central bank’s Resolution 509 and direct financing through Resolution 68 program. BNDES offers a pre- and post-shipment financing program.

Risk Mitigation

No standard export protection program exists in Brazil. However, IRB-Brasil Resseguros SA (IRB-Brasil Re), a majority state-owned reinsurance company, covers political and extraordinary risks; private insurers also cover commercial risks. Exports financed by official agencies require insurance, but commercial risks may be omitted for sales to government or government-guaranteed buyers.
Prohibited Exports

Brazil operates a negative list of prohibited items that includes wild fauna and flora and their derivatives, amber, certain types of wood and plants, white types of honey, and antiques over 100 years old.
Information Technology

Electronic Banking

Electronic banking services are widely used in both the business and retail sectors in Brazil. Domestic and foreign-owned companies in Brazil typically use electronic payment initiation, reporting and funds transfer services. Many companies operating in Brazil exchange data electronically with banking and commercial counterparties via VANs (value-added networks) and EDI protocols. Brazil’s banks have invested heavily in technology in recent years and now offer a range of internet-based banking services to retail customers.

The number of bank accounts with internet banking access in Brazil increased from 32 million in 2011 to 62 million in 2015, before falling to 53 million in 2016. It has since increased to 59 million in 2017. Usage of internet banking reached its peak in 2014, with 18 billion transactions, before falling to 17.7 billion in 2015 and 15.5 billion transactions in 2016. The number of transactions increased to 15.8 billion in 2017.

Mobile banking services are offered by banks in Brazil. Its usage has grown rapidly in recent years, and it has now become Brazil’s preferred channel for banking operations. The number of mobile banking accounts increased from 2 million in 2011 to 42 million in 2016 and 59 million in 2017. The number of mobile banking transactions has also increased from 100 million in 2011 to 11.2 billion in 2015, 18.6 billion in 2016 and 25.6 billion in 2017, of which 6.6% involved fund transfers.

Internet and mobile banking transactions accounted for 78% of banking transactions without fund transfers and for 21% of transactions involving fund transfers in Brazil in 2017.
External Financing

Long-term Funding

Bank Lines of Credit/Loans

Companies regularly roll over short-term local currency working capital loans (capital de giro) and discount promissory notes as revolving variable-rate medium-term financing.

Under central bank regulations, Brazilian-based companies may borrow USD-denominated funds from foreign banks for eight-year terms, and overseas parents may make loans to Brazilian subsidiaries for at least three years.

Leasing

Finance leases are commonly used to finance the acquisition of machinery and vehicles as well as real estate and are available both in BRL and USD.

Bonds

Resident firms may issue bonds to domestic and international investors, but no foreign-owned company participates in the local market because Brazilian institutions may not invest in foreign corporate bonds. As well as complying with Securities Commission regulations, issuers must meet the following criteria.

- Outstanding bonds must not exceed the issuer’s net worth.
- Total liabilities must not exceed 150% of the issuer’s net worth.
- Total liabilities (subject to monetary or exchange correction) must not exceed 120% of the issuer’s net worth.

Private Placement

Brazilian institutions accept private placements by foreign-owned companies as an alternative to investing in foreign corporate bonds.

Government (Agency) Investment Incentive Schemes / Special Programs or Structures

The government operates a “build-own-transfer” approach to privately financed infrastructure projects. The government will guarantee profitability for private investors in such projects if direct income is insufficient.
Asset Securitization / Structured Finance

Brazil's structured finance market is relatively immature, as structured securities have only been permitted since the late 1990s and credit enhancement has only recently been allowed.
Useful Contacts

National Investment Promotion Agency
Apex Brasil — www.apexbrasil.com.br

Central Bank
Banco Central do Brasil — www.bcb.gov.br

Banks
Banco Bradesco SA — www.bradesco.com.br
Banco do Brasil SA — www.bb.com.br
Banco Itaú Unibanco SA — www.itau.com.br

Payment System Operators
TecBan — www.tecban.com.br
CIP (Câmara Interbancária de Pagamentos) — www.cip-bancos.org.br

Stock Exchange
Bolsa de Valores do São Paulo (BOVESPA) — www.bovespa.com.br

Ministry of Finance
Ministry of Finance — www.fazenda.gov.br

Bankers’ Association
Brazilian Federation of Banks — www.febraban.org.br