



Legal Aspects - Doing Business in Brazil

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Assumptions:

- **Company From Slovenia**
- **Brazilian Clients**

Questions:

- **How can I export my products and services?**
- **What are the costs involved?**
- **Can I sell directly? Or should I use a Sales Representative?**
- **Will my agreements be enforced in Brazil?**



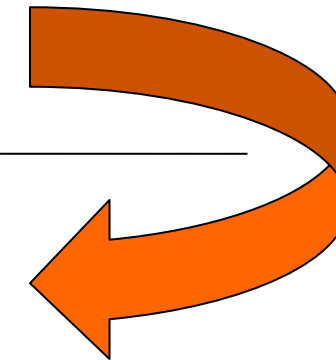
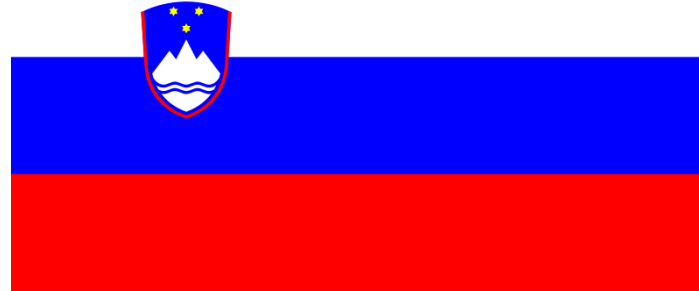
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Agreements: Compliance with Brazilian Law



- Most of the clauses used in international agreements are respected in Brazil:
- Incoterms
- Channel Agreements (Reseller, Distribution, Agent)
- Exceptions:
- Court?
- Language?
- Penalty and Interests in case of default?

Taxation: Export - Direct Sell

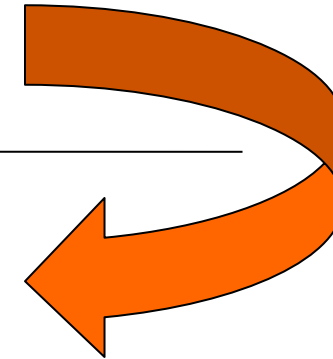
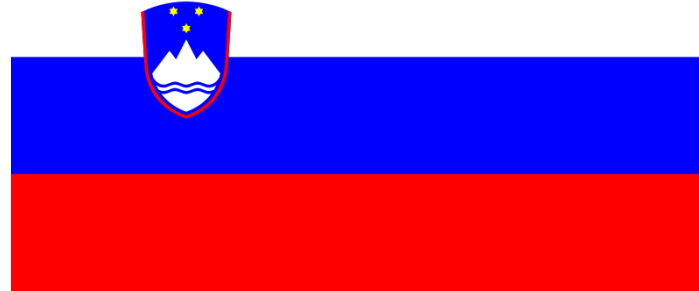


Tax for **Products**:

- Import Tax (II): TBD
- ICMS (State Tax): 18%
- PIS: 1,65%
- COFINS: 7,6%
- Tax on Industrialized Goods (IPI): TBD

Can Reach 150%

Taxation: Export - Direct Sell



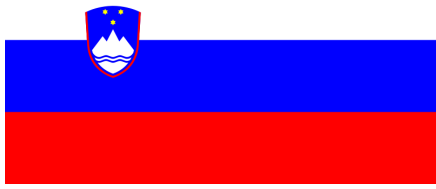
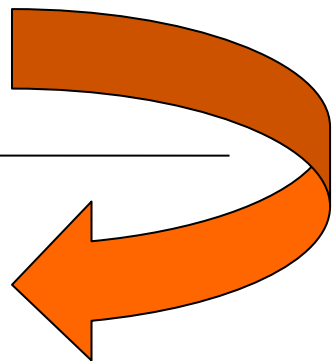
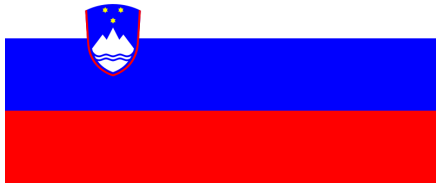
Tax for **Services**:

- Income Tax: 15%
- PIS - 1,65%
- COFINS - 7,6%
- CSLL - 9,0%
- ISS - 2% to 5%
- CIDE (Royalties): 10%



**From 35,25% to
48,25%**

Taxation: Subsidiary in Brazil



Brazilian Subsidiary

Tax for **Services**:

- Income Tax: 4,8%
- PIS - 0,65%
- COFINS - 3,0%
- CSLL - 2,88%
- ISS - 2% to 5%



**From 13,33% to 16,33%
And Tax Free for Dividends**

Sociedade Limitada (“limitada”) - *Limited-Liability Companies*



1. Quotaholders

No residency or nationality requirements apply.

2. Capital

No minimum capital is required

3. Management

The *limitada* may be managed by the quotaholders themselves, if residents and individuals, or by one or more officers appointed by the quotaholders.

Nonresident and legal entity quotaholders **must appoint Brazilian resident individuals to represent** them locally (Legal Representatives).

4. Criminal liability of Corporate Managers:

- (i) taxes,
- (ii) labor,
- (iii) bankruptcy,
- (iv) the environment,
- (v) consumer needs, and
- (vi) economic laws.

Intellectual Property – Protection, Enforcement and Licensing



The Industrial Property Law is the primary law in the area of **patents, trademarks, industrial designs, geographical indications, unfair competition** and regulates registration thereof with the Brazilian Patent and Trademark Office (“INPI”).

Famous and Well-Known Marks are also afforded special protection, pursuant to the Paris Convention, regardless of whether it has been registered in Brazil.

The Industrial Property Law is a modern statute that meets most recent requirements of the World Trade Organization (WTO) legislation related to industrial property rights (commonly referred to as TRIPS). In addition to affiliation to the WTO, Brazil is a member of several international conventions and agreements such as the **Paris Convention** and the **Patent Cooperation Treaty** for the protection of industrial property rights.

Intellectual Property – Protection, Enforcement and Licensing



The Brazilian **Copyright Law** provides for the protection of intellectual and creative works (and those expressed in any physical media) such as literary, artistic, scientific, music or photographic works, architectural projects, designs, paintings, among many other things. Brazil joined the **Bern Convention for International Copyright Protection**.

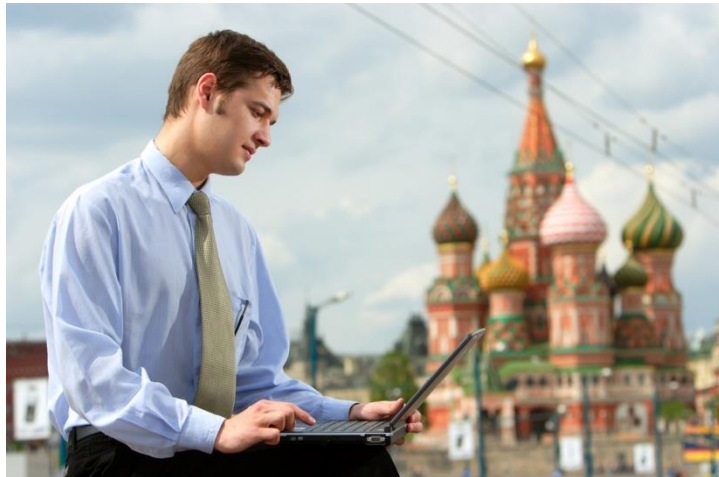
The **Software Law** grants software **Copyright** protection. **The protection of software does not depend on registration** of the program and lasts for fifty years.

Software may be licensed in Brazil either

- (i) directly by the holder of the rights on the software or authorized licensor to end users; or
- (ii) through a reseller, distributor or other similar vendor. In both cases, **registration of the relevant agreement is not required**.

SALARY: R\$5.000,00

Labor Law: Very Protective for the Employee



LABOR BENEFITS

Vacations: R\$555,50

13 Salary: R\$416,50

FGTS: R\$425,00

Termination Penalty: R\$425,00

INSS: R\$1.440,00

Syndicate: R\$75,00

Education Salary: R\$125,00

DISCOUNTS

INSS: R\$11,00

NET SALARY: R\$4.989,00 (Received by the Employee)

+ Transport + Meal

Total paid by the Company:

R\$8.326,00/month

Paulo Salvador Ribeiro Perrotti: Lawyer, President of Brazil-Canada Chamber of Commerce (CCBC) from 2017 to 2021, and Law graduated at Catholic University of São Paulo – PUC/SP, Paulo Perrotti also holds a MBA from Getúlio Vargas Foundation of São Paulo with a specialization (LLM) in Information Technology Law at IBMEC/SP, specialization in Canadian and Québec Law at Université de Québec à Montréal (UQÀM), specialization in Market Finance at Finance Institute and specialization in Social Responsibility at ESPM/SP. He is registered at OAB in São Paulo, and worked at the Legal Offices of Pinheiro Neto Lawyers. He also was legal consultant of an Information Technology company under the auspices of Bank of America and had acted in the area of Mergers and Acquisitions in his own company and as an outsourced consultant. He has also worked as the executive director of the Institute of Development in Marketing – IDM. He was a board member of the Software Technology Institute – ITS. He has been awarded with the Commander of Juridical Values by the Brazilian Academy of Art, Culture and History. Holds a specialization title in Business Intelligence from the Dominican College of San Raphael and also one in Negotiation Techniques from Berkley University. He is a consultant of diverse Non Profit Organizations entities of the IT Sector, such as ITS (Technology Institute in Software – SP) and Sucusu/SP (Association of IT Users), amongst others. Has written “Empresas Familiares” (Family Business Small Companies) - a Book Concerning Juridical Aspects and Strategies for a Successful Management”, Thomson IOB Editor, São Paulo, 2007, “Real Property Law Manual - Avoiding Risks When Purchasing Real Properties In Brazil”, São Paulo, 2007, “Mergers and Acquisitions (M&A) Law Manual”, São Paulo, 2011 and "Forms of Association and Tax Systems in Brasil", São Paulo, 2013.



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