

COUNTRY GUIDE

BRAZIL



Despite some economic setbacks and recent issues of corruption and political uncertainty, Brazil holds steady as the 9th largest economy in the world and the largest in Latin America. With government reform aimed at regaining the trust of investors and providing a stable business environment, many experts maintain a positive economic outlook for the country.

FOREIGN INVESTMENT

A large domestic market, extensive natural resources, a diversified economy that is less vulnerable to international volatility, and a strategic geographic location allowing easy access to other South American countries, are all factors that make Brazil an attractive market for international investors.

GOVERNMENT REFORM

Brazil's government has committed to strengthening the country's business environment to ease complexities in the tax system, reduce bureaucratic delays, improve labor legislation, and provide economic stability. At the 2019 World Economic Forum, President Jair Bolsonaro said: "We will work to lower the tax burden, streamline rules and make life easier for those who want to produce and do business as entrepreneurs, invest and create jobs."

MANUFACTURING SECTOR










Brazil is among the largest manufacturing countries in the Americas, with its industries accounting for nearly one-third of the country's GDP. Most large industries are located in the country's south and southeast regions and include consumer goods, steel, petrochemicals, aircraft, and a booming automobile sector.

BRICS

Brazil is one of five developing nations (Brazil, Russia, India, China, and South Africa) economists believe will become dominant suppliers of manufactured goods, services, and raw material by 2050. Due to its availability of natural resources, Brazil is poised to join Russia as a dominant supplier of raw materials.

CAPITAL MARKETS

With new reforms approved by Brazil's government, many in the banking sector expect the volume of privatization-related M&A to grow and drive capital market activity in the coming years.

	Geography	<p>Location: Brazil is located in eastern South America, bordering the Atlantic Ocean. It is the largest country in the southern hemisphere and shares a border with every South American country except Chile and Ecuador.</p> <p>Area: 8,515,770 sq. km.</p> <p>Time zone: Brazil observes four times zones: Noronha Standard Time (GMT-2), Brasilia Standard Time (GMT-3), Amazon Standard Time (GMT-4) and Acre Standard Time (GMT-5)</p>
		
	Population	208.9 Million
	Language(s)	Portuguese
	Economy	Primary industries include manufacturing, automobile, oil and gas, machinery and equipment, agriculture, and textile
	Capital City	Brasilia
	Currency	Brazilian Real (BRL)
	Political structure	Federal Presidential Republic
	Legal system	Civil law system

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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Main Types of Legal Entities

	LIMITED LIABILITY COMPANY (SOCIEDADE LIMITADA - LTDA)	CORPORATION (SOCIEDADE ANÔNIMA - SA)
Share capital		
Minimum paid-up	No minimum required. However, if a foreign person is expected to work in management, a minimum capital of BRL 150,000 (about US \$38,700) plus the creation of 10 jobs within two years is required, or a paid-in foreign capital of at least BRL 600,000 (about US \$155,110) for visa purposes.	No minimum required. However, if a foreign person is expected to work in management, a minimum capital of BRL 150,000 (about US \$38,700) plus the creation of 10 jobs within two years is required, or a paid-in foreign capital of at least BRL 600,000 (about US \$155,110) for visa purposes. There may be additional requirements depending on the type of business to be conducted.
Maximum authorized	N/A	N/A
Usual currency	Brazilian Real (BRL)	Brazilian Real (BRL)
Permitted currencies	Brazilian Real (BRL)	Brazilian Real (BRL)
Domiciliation		
Registered address	A local registered office is required. A virtual office or a local third-party provider address is not allowed.	A local registered office is required. A virtual office or a local third-party provider address is not allowed.
Directors		
Minimum number	Two shareholders and one manager is required.	At least two shareholders and two officers are required. For listed corporations and those with authorized capital, the board of directors must have a minimum of three members.
Minimum local	Must be Brazilian citizens or foreigners residing in Brazil under the status of a permanent visa. Foreign shareholders must have a local legal representative.	Must be Brazilian citizens or foreigners residing in Brazil under the status of a permanent visa. Foreign shareholders must have a local legal representative.
Corporate directors	Permitted	Permitted
Statutory		
Annual filing	Required	Required
Company secretary	N/A	N/A
Annual general meeting (AGM)	Annual shareholder meeting required. Director meeting requirements shall be established in the articles of organization.	Annual shareholder meeting required. Director meeting requirements shall be established in the articles of organization.
Beneficial owner reporting	Publicly disclosed	Publicly disclosed, except for shareholders of private, non-listed companies
Re-domiciliation	Permitted, but it is not a common procedure	Permitted, but it is not a common procedure
Financial administration		
Audit required	Not required	Not required
Filing of annual return	Required	Required
Tax		
Tax rates	34% taxed on worldwide income	34% taxed on worldwide income
VAT	Average rate of 17%	Average rate of 17%
Tax treaties	Negotiated with 30+ countries	Negotiated with 30+ countries
Other taxes	A surtax is charged on taxable income over BRL 240,000, plus a social contribution tax (included in rate above).	A surtax is charged on taxable income over BRL 240,000, plus a social contribution tax (included in rate above).

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Main Types of Legal Entities

	LIMITED LIABILITY COMPANY (SOCIEDADE LIMITADA - LTDA)	CORPORATION (SOCIEDADE ANÔNIMA - SA)
Government fees		
Registry fee	Depends on the state in which the business is being registered, but the national average is at least BRL 2,100 (US \$500)	Depends on the state in which the business is being registered, but the national average is at least BRL 2,100 (US \$500)
License fee	Depends on the type of business conducted	Depends on the type of business conducted
Incorporation process		
Summary	<ul style="list-style-type: none"> ➤ Drawing up of Articles of Incorporation ➤ Registration with the Corporate Registry Office ➤ Registration with the Federal Revenue Service ➤ Registration with the Brazilian Central Bank ➤ Registration with the local municipality in which the business will be conducted and obtaining a business license if necessary ➤ Registration with the State Finance Secretariat, where needed 	<ul style="list-style-type: none"> ➤ Drawing up of Articles of Incorporation ➤ Registration with the Corporate Registry Office ➤ Registration with the Federal Revenue Service ➤ Registration with the Brazilian Central Bank ➤ Registration with the local municipality in which the business will be conducted and obtaining a business license if necessary ➤ Registration with the State Finance Secretariat, where needed
Time	8–12 weeks	8–12 weeks
Other		
Are shelf corporations available?	Allowed	Allowed

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CT Service Offerings – Brazil



Global Transactional Services

- Due diligence searches
 - Certificate of Good Standing (or equivalent)
 - Health check services
 - Liens/charges
 - Litigation
 - Bankruptcy
- Document retrieval
 - Articles of Incorporation
 - Memorandum of Association
 - Chamber of Commerce Extract
- Authentications and legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services

Corporate Secretarial Service

- Annual compliance
 - Statutory filings
 - Annual board resolution drafting
 - Corporate minute book management
- Domiciliation/registered address
- Director services and legal representation

To learn more about how CT can help you better manage your [global compliance needs](#), contact a CT representative at 855.444.5358 (toll-free U.S.).

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