



8 January 2014

(14-0059)

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Original: English

BRAZIL – CERTAIN MEASURES CONCERNING TAXATION AND CHARGES

REQUEST FOR CONSULTATIONS BY THE EUROPEAN UNION

The following communication, dated 19 December 2013, from the delegation of the European Union to the delegation of Brazil and to the Chairperson of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of the Federative Republic of Brazil ("Brazil"), pursuant to Articles 1 and 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (the DSU), Article XXII of the *General Agreement on Tariffs and Trade, 1994* (the GATT 1994), Article 4 of the *Agreement on Subsidies and Countervailing Measures* (the SCM Agreement) and Article 8 of the *Agreement on Trade-Related Investment Measures* (the TRIMS Agreement) with respect to certain measures concerning taxation and charges which appear to be in breach of several provisions of the covered agreements.

Such measures affect several economic sectors and, in some cases, they apply horizontally to all goods or to broad categories of goods. These measures, taken as a whole and individually, increase the effective level of border protection in Brazil, whilst providing preferences and support to domestic producers and exporters, by *inter alia* (1) imposing a higher tax burden on imported goods than on domestic goods, (2) conditioning tax advantages to the use of domestic goods, and (3) providing export contingent subsidies.

Whereas some of the specific measures at issue have existed for some years, the overall framework of tax advantages to operators in Brazil, in relation to taxation, has been markedly strengthened since September 2012 with the adoption of new specific tax schemes and the revision or completion of existing ones, thus following a consistent pattern.

This request for consultations focuses on the following elements:

1. Discriminatory tax advantages in the automotive sector

Law (*Lei*) n° 12,715 of 17 September 2012 established the "Programme of incentive to the technological innovation and densification of the automotive supply chain" (*Programa de Incentivo à Inovação Tecnológica e Adensamento da Cadeia Produtiva de Veículos Automotores*) also known as "INOVAR-AUTO". Its provisions have been further developed in Decree (*Decreto*) n° 7,819 of 3 October 2012, as amended, and in acts subsequently adopted by the relevant authorities.¹

Under the INOVAR-AUTO programme, Brazil grants tax benefits with respect to the "Tax on Industrial Products" (*Imposto sobre Produtos Industrializados*², "IPI") to actual or potential automobile manufacturers that are "accredited" (*habilitados*) under INOVAR-AUTO. Those benefits

¹ See Annex A.

² The IPI is established under the provisions of Law (*Lei*) n° 5,172 of 25 October 1966 (*Código Tributário Nacional*), as amended, in particular in Chapter IV, Section I; and of Law (*Lei*) n° 4,502 of 30 November 1964, as amended. The provisions of those laws are further developed in Decree (*Decreto*) n° 7,212 of 15 June 2010.

consist of a tax credit of up to 30 percent of the IPI taxable base which can be used, under certain conditions, to offset the IPI otherwise due on the sale of motor vehicles covered by the programme.

There are three types of "accreditation" (*habilitação*): for domestic manufacturers; for local distributors without manufacturing activities in Brazil; and for investors in domestic manufacturing capacity. In order to be "accredited", eligible operators must fulfil certain conditions which concern, depending on the accreditation sought: a minimum number of manufacturing activities in Brazil; minimum levels of expenditure in Brazil on research and development, engineering, basic industrial technology and capacity-building of actual and potential suppliers; adhesion to the "Vehicle Labelling Programme" (*Programa de Etiquetagem Veicular*); and the achievement of certain energy efficiency targets as regards the vehicles marketed in Brazil.

The amount of the tax credit for "accredited" participating companies depends on the amount and the nature of each participant's expenditures in Brazil. By far the most important item for the purposes of accruing tax credits are expenditures in Brazil on "strategic inputs and tools". Therefore, distributors of imported vehicles without manufacturing activities in Brazil cannot earn any sizeable tax credit to offset the IPI tax on imported goods. The conditions pertaining to R&D and technological expenditure are also based on a criterion that penalises imported goods. In addition, the system is geared to favour the use of Brazilian-made components by domestic manufacturers. Moreover, the conditions for use of the tax credits earned by manufacturing participants limit the possibilities to offset the IPI tax due on imported goods. Finally, INOVAR-AUTO appears to grant certain tax benefits to goods originating in a limited number of other countries, including Mercosur and non-Mercosur countries, without those benefits being extended to other WTO Members.

The European Union is concerned that the INOVAR-AUTO programme, as embodied in the provisions of the laws and regulations identified in this consultations request (including its annexes), as well as any amendments, supplements, extensions, replacement measures, renewal measures and implementing measures, and as applied through individual acts concerning applicant companies, is inconsistent with the covered agreements, including the following provisions:

- Article I:1 of the GATT 1994
- Article III:2 of the GATT 1994
- Article III:4 of the GATT 1994
- Article III:5 of the GATT 1994
- Article 3.1(b) of the SCM Agreement
- Article 2.1 of the TRIMS Agreement in conjunction with Article 2.2 and the Illustrative List in the Annex to the TRIMS Agreement.

The European Union provides a statement of available evidence as provided for in Article 4.2 of the SCM Agreement by listing in Annex A to this request all the legal instruments in its possession through which INOVAR-AUTO has been instituted and implemented.

2. Discriminatory tax advantages in the electronics and related sectors

Brazil has gradually put in place a comprehensive set of inter-related measures laying down tax advantages in a number of technology areas relating to, in broad terms, computing, automation, and audiovisual equipment. Law (*Lei*) n° 12,715 of 17 September 2012, referred to in the previous section in relation to the automotive sector, introduced amendments, extensions and additions to several of those existing tax schemes. These measures, separately or in combination with the horizontal measures discussed in section 3 of this consultations request, provide what appears to be WTO-inconsistent support and protection to domestic manufacturers of the relevant goods.

In particular, pursuant to Law (*Lei*) n° 8,248 of 23 October 1991³ as subsequently amended, in conjunction with other norms, Brazil applies a significantly reduced IPI tax on the sale of relevant goods for the benefit of companies that invest in and carry out research and development activities in the computing and automation sector. The tax reduction is applicable only to those goods that are produced in Brazil in accordance with the Basic Productive Process (*Processo Produtivo Básico*, "PPB") as defined by the government. A PPB is a document that lays down a minimum number manufacturing activities to be carried out in Brazil as well as, in some or all cases, domestic sourcing conditions for components of a particular product. Any interested company may request the government to issue a PPB with respect to a product, which must be applicable to all producers of the same product. Specific provisions apply to producers located in the Manaus Free Trade Zone.⁴

Other tax advantages are also conditional upon compliance with PPBs and other requirements. This is the case of the schemes known as PADIS ("Programme of Incentives for the Semiconductors Sector"; *Programa de Incentivos ao Setor de Semicondutores*), PATVD ("Programme of Support to the Technological Developments of the Industry of Digital TV Equipment"; *Programa de Apoio ao Desenvolvimento Tecnológico da Indústria de Equipamentos para TV Digital*) and the "Programme for Digital Inclusion" (*Programa de Inclusão Digital*).

Both PADIS and PATVD were established by Law (*Lei*) n° 11,484 of 31 May 2007.⁵ PADIS grants exemptions from several taxes, duties and contributions to companies that invest at least 5 percent of their gross turnover in research and development in Brazil. The PADIS tax benefits are also conditional upon carrying out certain activities in Brazil (including creation, development, design, manufacturing, final assembling and testing) relating to: (i) semiconductors, as defined in the relevant law; (ii) LCD, plasma and other displays; and (iii) inputs and equipment for the production of semiconductors or displays, in accordance with PPB requirements. PATVD also grants exemptions from several taxes, duties and contributions to companies that annually invest at least 2.5 percent of their gross turnover in research and development in Brazil on equipment transmitting signals by radio frequency for digital television. The PATVD tax benefits are also conditional upon carrying out, in accordance with the respective PPB, certain manufacturing and development activities in Brazil.

Under both PADIS and PATVD, eligible companies must apply for "accreditation" (*habilitação*) by the government. Upon accreditation, the domestic purchases or imports of machinery, devices, instruments or equipment—produced in accordance with their respective PPBs when destined for any of the manufactured activities mentioned above—are exempt from certain taxes or charges, including PIS/PASEP⁶, COFINS⁷, *PIS/PASEP Importação*⁸, *COFINS Importação*⁹,

³ The provisions of Law n° 8,248 are further developed in Decree (*Decreto*) n° 5,906 of 26 September 2006, as amended, and in other acts adopted by the relevant authorities: see annex B.

⁴ Particularly Law (*Lei*) n° 8,387 of 30 December 1991, as amended, and Decree (*Decreto*) n° 6,008 of 29 December 2006.

⁵ As amended by Law n° 12,715 of 17 September 2012 and further developed by Decree (*Decreto*) n° 6,233 of 11 October 2007 (on PADIS) and by Decree (*Decreto*) n° 6,234 of 11 October 2007 (on PATVD), as amended, and by other acts adopted by the relevant authorities: see annex B.

⁶ *Programa de Integração Social* ("Social Integration Programme" - PIS) and *Programa de Formação do Patrimônio do Servidor Público* ("Civil Service Asset Formation Program" - PASEP), as laid down in Law (*Lei*) n° 9,718 of 27 November 1998 and Law (*Lei*) n° 10,637 of 30 December 2002, and their subsequent amendments.

⁷ *Contribuição para o Financiamento da Seguridade Social* ("Contribution to Social Security Financing" - COFINS), as laid down in Law (*Lei*) n° 9,718 of 27 November 1998 and in Law (*Lei*) n° 10,833 of 29 December 2003, and their subsequent amendments.

⁸ *Programa de Integração Social e de Formação do Patrimônio do Servidor Público incidente na Importação de Produtos Estrangeiros ou Serviços* ("Social Integration and Civil Service Asset Formation Programmes applicable to Imports of Foreign Goods or Services"), as laid down in Law (*Lei*) n° 10,865 of 30 April 2004, as subsequently amended. The formulae for calculating the charges due are laid down in Normative Instruction (*Instrução Normativa*) RFB n° 1,401 of 9 October 2013.

⁹ *Contribuição para o Financiamento da Seguridade Social incidentes sobre a importação de bens e serviços* ("Contribution to Social Security Financing applicable to Imports of Goods or Services"), as laid down in Law (*Lei*) n° 10,865 of 30 April 2004, as subsequently amended. The formulae for calculating the charges due are laid down in Normative Instruction (*Instrução Normativa*) RFB n° 1,401 of 9 October 2013.

as well as from ordinary customs duties.¹⁰ In addition, accredited companies may sell their products free of PIS/PASEP, COFINS, IPI and certain other taxes.

Furthermore, under the provisions of Law (*Lei*) n° 11.196 of 21 November 2005, as amended,¹¹ concerning the "Programme for Digital Inclusion", Brazil exempts producers of a large number of so-called "digital products" (such as computers, routers, smartphones and other hardware) from payment of PIS/PASEP and COFINS, provided that such products are produced and developed in Brazil in accordance with their respective PPBs.

The European Union is concerned that that the tax schemes described above, by exempting the sales of goods that have undergone manufacturing operations in Brazil from indirect taxes, or by reducing the level of taxation of such sales, result in a discrimination against imported goods, as the latter remain fully subject to the applicable taxes and charges. The conditions pertaining to R&D or other technological expenditure are also based on a criterion that penalises imported goods. In addition, the system is geared to favour the use of Brazilian-made products by domestic companies, through the requirements in PPBs as well as the linking of tax advantages to PPBs.

The European Union also is of the view that Brazil, by levying the applicable general taxes and charges on or in relation to imported goods while maintaining the tax schemes described above, as embodied in the provisions of the laws and regulations mentioned in this consultations request (including its annexes), as well as any amendments, supplements, extensions, replacement measures, renewal measures, and implementing measures, and as applied through individual acts concerning applicant companies, is acting inconsistently with the covered agreements, including the following provisions:

- Article II:1(b) of the GATT 1994
- Article III:2 of the GATT 1994
- Article III:4 of the GATT 1994
- Article III:5 of the GATT 1994
- Article 3.1(b) of the SCM Agreement
- Article 2.1 of the TRIMS Agreement in conjunction with Article 2.2 and the Illustrative List in the Annex to the TRIMS Agreement.

The European Union provides a statement of available evidence as provided for in Article 4.2 of the SCM Agreement by listing in Annex B to this request all the legal instruments in its possession through which the relevant tax schemes under which subsidies are granted have been instituted and implemented.

3. Discriminatory tax advantages with regard to goods produced in Free Trade Zones

Brazil exempts from the IPI tax the sales of goods produced in the Free Trade Zone (*Zona Franca*) in Manaus when they are marketed in anywhere within the Brazilian territory.¹² On the other hand, imported products, including those stored¹³ in the *Zona Franca de Manaus*, but

¹⁰ The European Union notes that PIS/PASEP and COFINS are taxes on the turnover of domestic companies. *PIS/PASEP Importação* and *COFINS Importação* were introduced several years after the creation of PIS/PASEP and COFINS: they are separate charges on all imports. It is the understanding of the European Union that Brazil considers the *PIS/PASEP Importação* and *COFINS Importação* charges as part of Brazil's system of internal taxes rather than as "other duties or charges" on imports (within the meaning of Article II:1(b) of the GATT 1994), but the basis for this conclusion is not readily apparent. Thus, for the purposes of this request for consultations, the European Union considers that the *PIS/PASEP Importação* and *COFINS Importação* are either internal taxes or "other duties or charges".

¹¹ The provisions of Law n° 11,196 are further developed in Decree (*Decreto*) n° 5,602 of 6 December 2005, as amended, and in other acts adopted by the relevant authorities: see annex B.

¹² In accordance with Decree-Law (*Decreto-Lei*) n° 288 of 28 February 1967, as amended (in particular article 9) and Decree (*Decreto*) n° 7,212 of 15 June 2010 (in particular article 81.II).

¹³ In accordance with Decree-Law (*Decreto-Lei*) n° 288 of 28 February 1967, as amended (in particular article 6).

marketed in another part of Brazil's territory, pay all the taxes applicable to imports, including IPI. Specific provisions apply for companies located in the Manaus Free Trade Zone and producing related to the "informatics" sector.¹⁴

Along similar lines, Brazil exempts from the IPI tax goods manufactured in the Free Trade Zones (*Áreas de Livre Comércio*) of Tabatinga, Guajará-Mirim, Boa Vista and Bonfim, Macapá and Santana, and Brasília and Cruzeiro do Sul.¹⁵ Imported products, including those stored in these areas¹⁶, when put on the market in any other part of Brazil's territory, are subject to all the applicable taxes.

While WTO Members may provide incentives to support the development of less industrialised regions, including tax incentives such as corporate tax breaks, they must do so in the respect of WTO rules. The European Union is concerned that the exemption from the IPI tax of goods produced in the *Zona Franca de Manaus* and in the afore-mentioned *Áreas de Livre Comércio*, when those goods are sold in any part of the Brazilian territory, as embodied in the provisions of the laws and regulations mentioned in this consultations request (including its annexes) as well as any amendments, supplements, extensions, replacement measures, renewal measures and implementing measures, is inconsistent with Article III:2 of the GATT 1994 since the same tax benefits do not apply to the importation and sale of imported goods in Brazil, whether or not they transit through a Free Trade Zone.

In addition to IPI exemptions, Brazil maintains specific provisions concerning PIS/PASEP and COFINS as regards goods produced within the *Zona Franca de Manaus* or within the above-referenced *Áreas de Livre Comércio*. The rate of PIS/PASEP and COFINS is reduced in relation to revenue generated by the sale of goods from producers with approved projects in those areas to operators located in other parts of Brazil's territory.¹⁷ In addition, purchasers of goods produced in the Free Trade Zones may claim a higher tax credit than the one that would result from the reduced rates actually applied.¹⁸ As a result, the operations involving goods produced in the *Zona Franca de Manaus* or in the *Áreas de Livre Comércio* are subject to a lower tax burden than the tax burden applicable in the case of other goods, including all imported goods sold in Brazil. Thus, all imported goods, which are subject to *PIS/PASEP Importação* and *COFINS Importação* upon importation, and whose resale generates revenues subject to the ordinary PIS/PASEP and COFINS rates, are put at a disadvantage *vis-à-vis* the relevant group of domestic goods.¹⁹

Therefore, the European Union is concerned that Brazil, by applying the measures described above with regard to PIS/PASEP, *PIS/PASEP Importação*, COFINS and *COFINS Importação*, as embodied in the provisions of the laws and regulations mentioned in this consultations request (including its annexes) as well as any amendments, supplements, extensions, replacement measures, renewal measures and implementing measures, is acting inconsistently with:

- Article II:1(b) of the GATT 1994
- Article III:2 of the GATT 1994.

¹⁴ Particularly Law (*Lei*) n° 8,387 of 30 December 1991, as amended, and Decree (*Decreto*) n° 6,008 of 29 December 2006.

¹⁵ In accordance with Law (*Lei*) n° 11,732 of 30 July 2008, as amended (in particular Article 6); and Decree (*Decreto*) n° 7.212 of 15 June 2010, as amended (in particular Article 105).

¹⁶ In accordance with Law (*Lei*) No. 7,965 of 22 December 1989, as amended (in particular Articles 3(V) and 8); and Law (*Lei*) n° 8,256 of 25 November 1991, as amended (in particular Article 6).

¹⁷ In accordance with Law (*Lei*) n° 10,637 of 30 December 2002, as amended (in particular Article 2, §§ 4, 5 and 6); and Law (*Lei*) n° 10,833 of 29 December 2003, as amended (in particular Article 2, §§ 5, 6 and 7).

¹⁸ In accordance with Law (*Lei*) n° 10,637 of 30 December 2002, as amended (in particular Article 3, §§ 12, 15 and 16); and with Law (*Lei*) n° 10,833 of 29 December 2003, as amended (in particular Article 3, §§ 17, 23 and 24).

¹⁹ As already noted, for the purposes of this request for consultations, the European Union considers that the *PIS/PASEP Importação* and *COFINS Importação* are either internal taxes or "other duties or charges".

4. Tax advantages for exporters

Brazil has put in place certain programmes aimed at granting tax benefits to "predominantly exporting companies". These subsidies are available across the economy through the following programmes. Law n° 12,715 of 17 September 2012 widened the scope of beneficiaries of the relevant programmes by modifying the requirements for a company to be considered as "predominantly exporting".

4.a. RECAP

Under Law (*Lei*) n° 11,196 of 25 November 2005, as amended, Brazil maintains the "Special Regime for the Purchase of Capital Goods for Exporting Enterprises" (*Regime Especial de Aquisição de Bens de Capital para Empresas Exportadoras*, "RECAP").²⁰ Under this programme, Brazil suspends the application of *PIS/PASEP*, *COFINS*, *PIS/PASEP Importação* and *COFINS Importação* for the benefit of legal persons that are "predominantly exporting companies", that is, those companies that exported at least 50 percent of their gross turnover over the preceding year. In order to benefit from RECAP, "predominantly exporting companies" must obtain "accreditation" (*habilitação*) from the Secretariat of the Federal Revenue in the Ministry of Finance (*Secretaria da Receita Federal* of the *Ministério de Fazenda*).

Companies admitted to RECAP enjoy such tax exemptions on condition that they undertake to maintain for the following two years a level of exports equal to or higher than 50 percent of their output. In addition, RECAP is also available to those companies that, even if their export activities did not reach 50 percent of their gross turnover over the course of the preceding year, commit to match or exceed this threshold for the following three years.

The European Union considers that RECAP, as embodied in the provisions of the laws and regulations identified in this consultations request (including its annexes), as well as any amendments, supplements, extensions, replacement measures, renewal measures and implementing measures, and as applied through individual acts concerning applicant companies, is inconsistent with Article 3.1(a) of the SCM Agreement because it is a subsidy programme contingent in law upon export performance.

The European Union provides a statement of available evidence as provided for in Article 4.2 of the SCM Agreement by listing all the legal instruments in its possession through which the RECAP programme has been instituted and implemented in Annex D to this request.

4. b. Export contingent subsidies concerning the purchase of raw materials, intermediate goods and packaging materials

Under Law (*Lei*) n° 10,637 of 30 December 2002, as amended, and Law (*Lei*) n° 10,865 of 30 April 2004, as amended,²¹ Brazil suspends the application of IPI, *PIS/PASEP*, *PIS/PASEP Importação*, *COFINS* and *COFINS Importação* for the benefit of those producers that exported at least 50 percent of their gross turnover over the preceding year ("predominantly exporting companies"). These IPI exemptions are therefore conditional on companies achieving or exceeding a certain export target, expressed as a percentage of the companies' turnover. The exemptions apply in relation to purchases of raw materials, intermediate goods and packaging materials by the beneficiaries of the tax scheme.

The European Union considers that this tax scheme, as embodied in the provisions of the laws and regulations identified in this consultations request (including its annexes), as well as any amendments, supplements, extensions, replacement measures, renewal measures and implementing measures, and as applied through individual acts concerning applicant companies, is inconsistent with Article 3.1(a) of the SCM Agreement because it is a subsidy programme contingent in law upon export performance.

²⁰ The relevant provisions of Law n° 11,196 are further developed in Decree (*Decreto*) n° 5,649 of 29 December 2005, as amended, and in other acts adopted by the relevant authorities: see annex D.

²¹ Lei n° 10,637 in relation to IPI, and Lei n° 10,865 in relation to *PIS/PASEP*, *PIS/PASEP Importação*, *COFINS* and *COFINS Importação*.

The European Union provides a statement of available evidence as provided for in Article 4.2 of the SCM Agreement by listing in Annex D to this request the legal instruments in its possession under which the export contingent subsidies on raw materials, intermediate goods and packaging materials have been instituted and implemented.

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The European Union reserves the right to address additional measures and claims under other provisions of the covered agreements regarding the above matters during the course of the consultations.

The European Union looks forward to receiving Brazil's reply to this request. Article 4.3 of the DSU provides that the Member to which a request for consultations is addressed shall reply within 10 days of its receipt, unless otherwise mutually agreed. In this regard, in view of the end of the year holiday period, the European Union can agree to receive Brazil's reply by 9 January 2014. The European Union is ready to consider with Brazil mutually acceptable dates to hold consultations.

Annex A – Automotive sector

List of measures of general application laying down and implementing the INOVAR-AUTO programme:

- *Lei* n° 12,715 of 17 September 2012
- *Decreto* n° 7,819 of 3 October 2012
- *Decreto* n° 7,969 of 28 March 2013
- *Decreto* n° 8,015 of 17 May 2013
- *Portaria MCTI* n° 296 of 1 April 2013
- *Portaria MDIC* n° 106 of 11 April 2013
- *Portaria MDIC* n° 113 of 15 april 2013
- *Portaria interministerial MCTI/MDIC* n° 772 of 12 August 2013
- *Portaria MDIC* n° 280 of 4 September 2013
- *Portaria MDIC* n° 297 of 30 September 2013

All accreditations (*habilitações*) granted pursuant to the INOVAR-AUTO programme:

- List of accredited companies available on the website of Brazil's Ministry of Development, Industry and External Trade: see
<http://www.mdic.gov.br/sitio/interna/interna.php?area=2&menu=4217&refr=4205>

Annex B – Electronics and related sectors

Lei de Informatica and related measures:

- *Lei* n° 8,248 of 23 October 1991, as amended by subsequent acts
- *Lei* n° 8,191 of 11 June 1991, as amended by subsequent acts
- *Lei* n° 8,387 of 30 December 1991, as amended by subsequent acts
- *Lei* n° 10,176 of 11 January 2001, as amended by subsequent acts
- *Lei* n° 11,077 of 30 December 2004
- *Decreto* n° 5,906 of 26 September 2006, as amended by subsequent acts (including *Decreto* n° 8,072 of 14 August 2013)
- *Decreto* n° 6,008 of 29 December 2006
- *Decreto* n° 6,759 of 5 February 2009 (final and transitional provisions)
- *Decreto* n° 7,212 of 15 June 2010 (especially Chapter VI, Section II)
- *Portaria Interministerial MDIC/MCTI* n° 177 of 18 October 2002
- *Portaria MCT* n° 950 of 12 December 2006
- *Portaria Interministerial MCTI/MDIC/MF* n° 148 of 19 March 2007
- *Portaria Interministerial MCTI/MDIC* n° 685 of 25 October 2007
- *Portaria Interministerial MDIC/MCT* n° 170 of 4 August 2010
- *Portaria MDIC* n° 267 of 30 August 2013
- *Portaria SDP/MDIC* n° 1 of 18 September 2013
- All PPBs adopted pursuant to the provisions of the above mentioned instruments: list available on http://www.desenvolvimento.gov.br/arquivos/dwnl_1302542328.pdf (PPBs adopted until March 2011) on http://www.desenvolvimento.gov.br/arquivos/dwnl_1339511332.pdf (PPBs adopted from December 2009 until May 2012), and list with texts available on http://www.suframa.gov.br/zfm_legislacao.cfm?idTopico=5

PADIS programme:

- *Lei* n° 11,484 of 31 May 2007, as amended by subsequent acts
- *Decreto* n° 6,233 of 11 October 2007, as amended by subsequent acts
- *Instrução Normativa RFB* n° 852 of 13 June 2008
- *Decreto* n° 7,212 of 15 June 2010 (especially Chapter VI, Section III)

PATVD programme:

- *Lei* n° 11,484 of 31 May 2007, as amended by subsequent acts
- *Decreto* n° 6,234 of 11 October 2007, as amended by subsequent acts
- *Instrução Normativa RFB* n° 853 of 13 June 2008
- *Decreto* n° 7,212 of 15 June 2010 (especially Chapter VI, Section IV)

Digital Inclusion programme:

- *Lei* n° 11.196 of 21 November 2005, as amended by subsequent acts
- *Decreto* n° 5,602 of 6 December 2005, as amended by subsequent acts (including *Decreto* n° 7,981 of 8 April 2013)
- *Portaria MC* n° 87 of 10 April 2013
- *Portaria STE* n° 2 of 26 August 2013

Annex C – Discriminatory tax advantages with regard to goods produced in Free Trade Zones

Measures concerning the Manaus Free Trade Zone (Zona Franca) and other Free Trade Zones (*Áreas de Livre Comércio*) in Brazil:

- *Decreto-Lei* n° 288 of 28 February 1967, as amended by subsequent acts
- *Lei* n° 7,965 of 22 December 1989, as amended by subsequent acts
- *Lei* n° 8,256 of 25 November 1991, as amended by subsequent acts
- *Lei* n° 8,387 of 30 December 1991, as amended by subsequent acts
- *Lei* n° 10,637 of 30 December 2002, as amended by subsequent acts
- *Lei* n° 10,833 of 29 December 2003, as amended by subsequent acts
- *Instrução Normativa SRF* n° 546 of 16 June 2005
- *Decreto* n° 6,008 of 29 December 2006, as amended by subsequent acts
- *Lei* n° 11,732 of 30 July 2008, as amended by subsequent acts
- *Decreto* n° 7,212 of 15 June 2010, as amended by subsequent acts

Annex D – Tax advantages for exporters

List of measures of general application laying down and implementing the RECAP programme:

- *Lei* n° 11,196 of 25 November 2005, as amended by subsequent acts
- *Decreto* n° 5,649 of 29 December 2005, as amended by subsequent acts
- *Decreto* n° 5,789 of 25 May 2006, as amended by subsequent acts
- *Instrução normativa SRF* n° 605 of 4 January 2006

Other evidence concerning the RECAP programme:

- List of beneficiaries available on
<http://www.receita.fazenda.gov.br/Legislacao/RegimeAquisicao/RelacaodasPJIN605.htm>

List of measures of general application laying down and implementing the subsidies concerning the purchase of raw materials, intermediate goods and packaging materials:

- *Lei* n° 10,637 of 30 December 2002, as amended by subsequent acts
 - *Lei* n° 10,865 of 30 April 2004, as amended by subsequent acts
 - *Instrução Normativa SRF* n° 595 of 27 December 2005, as amended by subsequent acts
-