



Tax-Free Imports to Brazil

A list of products that are tax free to import to Brazil was launched in 2013. The products covered by it usually aren't available in the country. This article presents why this list was created and how to apply for the tax-free benefits.



In February, 2013 the Câmara de Comércio Exterior, also known as Camex, which is the Foreign Chamber of Trade in Brazil, reduced temporally the import tax of 284 items, such as machines and equipments that are not produced in Brazil. Six other IT products were also included in this reduction list.

According to the Ministério do Desenvolvimento, Indústria e Comércio Exterior, or MDIC, which is the Ministry of Development, Industry and Foreign Trade this measure works as an encouragement to investments in production in the country. The import tax reduction will be applied between 2013 and 2015 and will act as an incentive to capital, IT and telecommunication goods that are not produced in Brazil.

The Sistema Ex-tarifário

This measure is called [Sistema Ex-tarifário](#), which is a regime with special taxation and temporarily reduction of the import tax designated not only to capital goods, known as BK, such as equipments and machines, but also to IT and telecommunication goods, known as BIT, that are not covered by the national production. This benefit includes the reduction on many subsequent taxes, such as [IPI](#), [PIS](#), [COFINS](#) and [ICMS](#).

The organization responsible for this new taxation system is the MDIC. It acts through the Secretaria de Desenvolvimento da Produção, known as SDP, which is the Production Development Secretary, and through Camex, providing the taxation benefits during a two-year period and only for goods that are not produced in the Brazilian territory.

Steps to Get Tax-free Benefits

There are some mandatory steps that must be followed in order to get the taxation benefits of the Sistema Ex-tarifário:

- present the request for the tax benefit to SDP
- document verification by SDP
- SDP requirement of complementary information to the [company](#) or entity
- analysis of the Federal Revenue Bureau regarding the classification and nomenclature
- analysis of the Comitê de Análise de Ex-tarifário regarding the framework in industrial policy and the nonexistence of national production. This committee is also known as CAEx, and is the committee responsible for the analysis of the Ex-tarifário system
- approval by Camex and Gerência Regional de Apoio ao Comércio Exterior, known as GECEX, which is the Regional Management of Support to Foreign Trade.
- publication in the Diário da União, known as DOU, which is the Gazette of the Union.

Documentation for Getting Tax-free Benefits

It's possible to apply for the benefit in case the good imported isn't produced in Brazil. For this, the following documents are required:

Application to tax-free in SDP

- information about the requesting company or entity
- technical information about the product that will be tax-free to [import](#): specifications, catalogues, descriptive memorial, photos, draws and others
- import forecast: quantity, unit price and scheduled date of shipment and disembarking
- information regarding investments and objectives of the request.

To verify the nonexistence of the good in national production

- certificate of product nonexistence in the national production
- consultations on the national database producers of capital goods and IT and telecommunication goods.
- public consultation in order to collect information to the Exam of nonexistence in the national production.

Perspectives and Objectives of the Tax-free Measure

The MDIC informed that “the main objectives of this measure is to increase the technological innovation in companies in different sectors of the economy, to produce jobs and income increase effect and to provide a special role in the development of the national infrastructure. The regime also works to stimulate investments for the supply of the domestic market of consumer goods and contribute to increase the competitiveness of goods designated to the foreign market”.

The tax-free system will encourage an amount of USD 3,87 billion [in investments](#) in Brazilian industries in the country. The most benefited sectors covered by the list will be the naval (44,16%), the power generation (14,79%), the steel (10,26%) and [the agribusiness](#)(5,25%).