

Covid-19 **Brazilian Tax Relief** **Measures**

Sperling Advogados

Updated until April 15, 2020

TAX MEASURES

➤ Tax incentives / measures

- **Social Contribution to Other Entities:** reduced in half the rate of contributions to SESCOOP, SESJ, SESC, SEST, SENAC, SENAI, SENAT, and SENAR.
- **Loan and Credit Tax (IOF):** reduced to zero the rate of IOF on certain loans and credit transactions, hired between April 3, 2020 and July 3, 2020.

TAX MEASURES

➤ Tax incentives / measures

- **Federal Tax on manufactured products (IPI):** reduced to zero the rate of IPI on products used to combat Covid-19, such as hand sanitizers, alcohol gel, surgical face masks, medicines and others, until September 30, 2020.
- **Social Contributions on Imports (PIS-importação and COFINS-importação):** reduced to zero rate of these social contributions on bulk medicines (TIPI 3003.90.99) and medicines in doses (TIPI 3004.90.99), until September 30, 2020.

TAX MEASURES

➤ Tax incentives / measures

- **State Tax on the Circulation of Goods and on Services of Interstate and Intermunicipal Transportation and Communication (ICMS):** some States (Bahia, Ceará, Distrito Federal, Maranhão, Pará, and Rio de Janeiro) granted Tax Exemption/Reductions on products used to fight the coronavirus, such as hand sanitizers, alcohol gel, surgical face masks, medicines, and others, as well as on energy destined to hotel activity (Rio Grande do Norte). Items may vary from State to State.

TAX MEASURES

➤ Suspension / extension of tax payments' terms

- **Social contributions (PIS and COFINS):** the collection of these contributions on income for March and April 2020 (ordinarily due in April and May, respectively) was extended to August and October 2020. The extension does not comprehend the collection of these contributions on imports.
- **Social security contributions due by the employer (CPP, GIL-RAT, CPRB, Funrural and Contribution on Domestic Work):** the collection of these contributions for March and April 2020 (ordinarily due in April and May, respectively) are extended to August and October 2020.
- **Guarantee Fund for Length of Service (FGTS):** the collection of the FGTS by employers is suspended for March, April and May 2020, with due dates in April, May and June 2020.

TAX MEASURES

➤ Suspension / extension of tax payments' terms

- **Special Regime for Micro and Small Companies (Simples Nacional):**

Payments related to federal taxes under the regime are extended as follows:

- Assessment of march/20, will be due on October 20, 2020;
- Assessment of April/20, becomes due on November 20, 2020; and
- Assessment of May/20, will now expire on December 20, 2020.

State and Municipal taxes under the regime are extended as follows:

- Assessment of March/20, will be due on July 20, 2020;
- Assessment of April/20, will be due on August 20, 2020; and
- Assessment of May/20, will be due on September 21, 2020.

TAX MEASURES

➤ Suspension / extension of tax filings' terms

- **Declaration of Federal Taxes (DCTF):** the deadlines for the DCTFs that should ordinarily be filed in April, May and June 2020, are extended to the 15th business day of July 2020.
- **Digital Tax Bookkeeping for Social Contributions (EFD-Contribuições):** the deadlines for the EFD-Contribuições that should ordinarily be filed in April, May and June 2020, are extended to the 10th business day of July 2020.

TAX MEASURES

- **Suspension / extension of tax filings' terms**
 - **Special Regime for Micro and Small Companies (Simples Nacional):**
 - The deadline for submitting the Declaration of Socioeconomic and Tax Information (Defis) for calendar year 2019 is extended to June 30, 2020.
 - The deadline for submission of the Annual Simplified Declaration for the Individual Micro-entrepreneur (DASN-Simei) for calendar year 2019 is extended to June 30, 2020.

TAX MEASURES

➤ Suspension / extension of tax filings' terms

- **State Tax on the Circulation of Goods and on Services of Interstate and Intermunicipal Transportation and Communication (ICMS):** some States (Espírito Santo, Rio de Janeiro, Mato Grosso do Sul, Ceará, Mato Grosso, Alagoas, Amapá, Amazonas, Goiás) have extended the deadlines to file documents related to ICMS, such as Digital Tax Bookkeeping – EFD, DUB-ICMS, the Declaration regarding Substitute ICMS (ICMS-ST) (GIA-ST), as well as the Declaration regarding Tax Substitute, Rate Differences and Anticipation (DeSTDA), among others. The extensions and documents vary depending on the State.
- **Municipal:** some Cities have also granted extensions for some tax filings. This varies a lot depending on the City.

TAX MEASURES

➤ Suspension / extension of tax controversies' terms

- **Judicial Disputes:** all judicial disputes in the country are suspended until April 30, 2020, except for disputes in the Federal Supreme Court and Electoral Courts.
- **Federal Tax Administrative Disputes:** The Federal Revenue delayed all terms until May 29, 2020 (except for collection of taxes falling under the statute of limitation), and the Administrative Court of Fiscal Appeals (CARF) suspended terms until April 30, 2020.
- **State and Municipal Tax Administrative Disputes:** Acts are uneven and need to be confirmed in each State and Municipality where dispute is taken.

TAX MEASURES

➤ International Trade

- **Import Duty:** reduced to zero the rate of Import Duty, until September 30, 2020, on alcohol, disinfectants, antiseptic gel, protective clothing and accessories, laboratory and pharmacy articles, oxygen therapy and respiratory resuscitation devices and automatic respirators (steel lungs), among other goods listed in Resolution CAMEX 17/2020.
- **Priority Customs Clearance:** Federal Revenue determines that certain Covid-19 combat products that will have priority customs clearance, such as alcohol, disinfectants, antiseptic gel, protective clothing and accessories, laboratory and pharmacy articles, oxygen therapy and respiratory resuscitation devices and automatic respirators (steel lungs), among other goods listed in Resolution CAMEX 17/2020 and in the annex of Decree 10.285/2020. Later the priority was extended to chloroquine and its derivatives, test kits for Covid-19 and automatic DNA sequencers, among others.

TAX MEASURES

➤ International Trade

- **Suspension of anti-dumping duty:**
 - Until 30 September 2020, suspension of the antidumping duty to Brazilian imports of disposable syringes for general use, made of plastic, with a capacity of 1ml, 3ml, 5 ml, 10 ml or 20 ml, with or without needles, commonly classified in items 9018.31.11 and 9018.31.19 of the Common Nomenclature of MERCOSUR - NCM, originating in China.
 - Until 30 September 2020, suspension of the antidumping duty to Brazilian imports of plastic tubes for vacuum blood collection, commonly classified under items 3822.00.90, 3926.90.40 and 9018.39.99 of the MERCOSUR Common Nomenclature - NCM, originating in the Federal Republic of Germany, the United States of America, the United Kingdom of Great Britain and Northern Ireland and the People's Republic of China.

TAX MEASURES

➤ International Trade

- **Creation of Cogec-Covid-19:**
 - Federal Revenue establishes the Customs Operational Center for Crisis Management generated by the Coronavirus 2019 Pandemic Disease (Cogec-Covid-19).
 - The new structure stems from the need for more structured management of society's demands regarding the flow of foreign trade, especially the loads related to the Covid-19 combat, allowing greater speed in the analysis of external demand from both public agencies and the private sector.

TAX MEASURES

➤ Individuals

- **Individual Income Tax (IRPF):** the collection of individual income tax regarding 2019 earnings, ordinarily due in April 2020, is extended until June 2020.
- **Declaration of Individual Income (DIRPF):** the deadline for submitting the DIRPF for calendar year of 2019, that should ordinarily be filed until April 30, 2020, is extended until June 30, 2020.
- **Income Declaration for Deceased Individuals or for Individuals Definitively Exiting the Country:** the deadline for filing these declarations, that should ordinarily be filed until April 30, 2020, is extended until June 30, 2020.

TAX MEASURES

➤ Other measures

- National Treasury postpones payment and creates special installment payment of overdue federal tax liabilities.
- The validity of federal debt clearance certificate (CND and CPEND) were extended for 90 (ninety) days, as from March 24, 2020 (only applicable for certificates valid on this date).
- Some States also extended the validity of state debt clearance certificates: Mato Grosso do Sul, Rio de Janeiro, Santa Catarina, Mato Grosso, São Paulo, and Amapá.
- The following municipalities also extended the validity of municipal debt clearance certificates: Rio de Janeiro, Porto Alegre (capital of Rio Grande do Sul), São Paulo, Belo Horizonte (capital of Minas Gerais), and Belém (capital of Pará).

Thank you!

Fabio Piovesan

Daniela Andrade

Denys Yamamoto

Tel: +55 11 3704-0788

Av. 9 de Julho, 4939 | 6º andar
Torre Jardim | São Paulo SP | Brasil
01407-200

www.sperling.adv.br

Sperling Advogados

