

Quick Reference Chart on Foreign Investment in Brazil

In the table below, the information contained in “Regulation of Foreign Investment in Brazil” is organized in a schematized manner for easy reference.

Jurisdiction	Practical Law Resources (Law Stated Date)	Are there any laws restricting investment specifically by foreign entities or persons?	Are there additional restrictions for investments by foreign governments or foreign sovereign wealth funds?	What transactions or acquired ownership rights fall within the scope of the FDI restrictions?
Brazil		✓	✗	Several transactions/sectors
	Regulation of Foreign Investment in Brazil (Law stated as of 01 June 2022) by Marcio Sperling, Gabriela Beloti and Luisa Delgado, Sperling Advogados with Practical Law Corporate.	<p>Yes.</p> <p>Foreign investments are not regulated by any one specific law, but instead subject to various laws and regulations for investments in different situations and contexts.</p> <p>Generally, foreign investors receive the same legal treatment as local investors. However, there are restrictions in the following sectors: mass media (Law 10,610/2002), aerospace (Law 7,565/1986), rural property (Law 5,709/1971), maritime (Law 9,432/1997 and Decree Nº 2,256/1997), insurance (Decree Nº 73/1966), reinsurance (LC Nº 126/2007), financial institution (Decree 10,029/2019), cabotage (Law 14,301/2022) and economic activities in border areas (a band stretching 150 kilometres from Brazil's international borders) (Law 6,634/1979).</p>	No.	<p>Foreign investments and financial transactions are subject to reporting and notification requirements (see Foreign Exchange Law).</p> <p>Additionally, foreign entities or individuals are prohibited or restricted regarding investments in certain Brazilian industries or rural properties (see Restrictions or Prohibition on Foreign Investment in Certain Business Activities).</p> <p>Foreign ownership of shares of Brazilian private companies also requires post-acquisition registration with the Federal Revenue Office (RFB) to obtain a taxpayer registration number (see Registration of Disclosure and Ownership).</p>

Which domestic industries are protected by FDI regimes?	Has a screening mechanism been put in place pursuant to the EU FDI Regulation?	Who is the FDI regulatory or supervisory authority?	Is FDI notification mandatory or voluntary, or both?	When is FDI notification mandatory?
Several industries	N/A	Central Bank of Brazil	Both	Investment over USD 100K
<p>Foreign capital is prohibited in activities related to:</p> <ul style="list-style-type: none"> • Nuclear energy. • Health services (with certain exceptions). • Postal and telegraph services. • Aerospace industry. <p>Foreign capital is restricted in certain activities related to:</p> <ul style="list-style-type: none"> • Acquisition and leasing of rural land. • Public air services for regular transport. • Broadcasting, including radio and free-to-air television. • Telecommunications. • Mineral resource prospecting and mining in border areas. <p>See Restrictions or Prohibitions on Foreign Investment in Certain Business Activities.</p>	Not applicable.	Central Bank of Brazil (Banco Central do Brasil; BACEN).	Both.	<p>If the investment surpasses USD 100,000.00 or the equivalent in other currencies, notification is mandatory, and has to be done within 30 days from the date of their entrance into the country.</p> <p>See Foreign Exchange Law and Foreign Investment Notification and Authorization Process .</p>

When can a voluntary FDI notification be made?	What is the consequence if a party does not comply with the FDI regime? Are there statutory call-in powers or post-closing transaction review powers?	Can completed transactions be reversed or unwound by the FDI regulatory or supervisory authority?	Are there any regimes that indirectly restrict foreign investment (other than anti-trust restrictions)?	Are there any regimes specifically encouraging foreign investment?
Investment under USD 100K	Several consequences	✓	✓	✓
Voluntary notification can be made if the investment is under the amount of USD 100,000.00 or the equivalent in other currencies.	<p>Several consequences.</p> <p>If the parties do not comply with the mandatory reporting, the Central Bank of Brazil (BACEN) may open an administrative proceeding and, after its conclusion, may apply the fines established in BACEN's Resolution No. 131/2021, as amended by BACEN's Resolution No. 274/2022.</p> <p>See Penalties for Non-Compliance.</p>	<p>Yes.</p> <p>The Administrative Council for Economic Defence (CADE) may review M&A transactions if the parties have not complied with the conditions previously determined by such authority.</p>	<p>Yes.</p> <p>Any economic activity in border areas (a band stretching 150 kilometres from Brazil's international borders) depends on prior assent of the National Security Council (Conselho de Segurança Nacional) (Law 6,634/1979).</p>	<p>Yes.</p> <p>Various benefits and tax incentives are granted by the Brazilian government at the municipal, state, and federal levels. Most incentives target sectors such as automobile manufacturing, renewable energy, life sciences, oil and gas, and infrastructure. Tax benefits are also granted for investments in less developed parts of the country, including the Northeast and the Amazon regions.</p> <p>The Brazilian National Development Bank (BNDES) provides long-term financing for projects that contribute to the country's development.</p> <p>See Other Legislation Affecting Foreign Investment.</p>

Are there any currency exchange controls or restrictions on the remittance of profits abroad?	Are there registration and/or disclosure requirements for foreign ownership of domestic entities?	Are there restrictions on the foreign ownership or occupation of real estate?
✓	✓	✓
<p>Yes.</p> <p>The Federal Revenue Office (RFB) regulates withholding of taxes (IRRF) applicable to earnings and capital gains realised by non-resident individuals and legal entities. Upon the reporting of mandatory investments with the Central Bank of Brazil (BACEN), foreign investors are able to remit dividends, capital repatriation (including capital gains), and, if applicable, royalties. Investors may carry out remittance transactions at any bank by documenting the source of the funds (evidence of profit or sale of assets) and showing payment of applicable taxes.</p>	<p>Yes.</p> <p>Foreign ownership of domestic entities must be enrolled with the Federal Revenue Office (RFB) to obtain a taxpayer number (CNPJ/MF), and within 90 days from the date of enrolment they must provide to the RFB documents that identify their Ultimate Beneficial Owner (IN RFB Nº 2,119/2022).</p> <p>They are also subject to registration before the local Board of Trade. Other registrations may be required depending on the activities to be carried out by the entities. See Registration and Disclosure of Ownership.</p>	<p>Yes.</p> <p>Non-resident foreign individuals cannot acquire rural land in Brazil, except if the acquisition derives from inheritance rights. Acquisition of rural property by resident foreign individuals or by foreign companies authorised to operate in Brazil or by Brazilian companies under foreign equity control is subject to the conditions provided by Law No. 5,709/1971.</p>