Fact Sheet ELANBiz:

Importing from the EU into Brazil

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The import system in Brazil is complex and consists of a web of laws and regulations. The importer of record (which has to be established in Brazil) generally bears ultimate responsibility for compliance with the local requirements and is usually a reliable source of information about these requirements. However, European exporters must at least ensure prior to shipment that their products and practices comply with Brazilian regulations, in order to prevent potential losses.

Import regimes:

The status of an importer in Brazil, and therefore the capacity to import, depends on a prior registration within the Integrated Foreign Trade System (SISCOMEX), as provided by Normative Instruction RFB No 1603/2015 and COANA Notice No 123/2015.

The mostly popular import regimes in Brazil are definitive importation, temporary admission, and drawback. This Fact Sheet addresses each of these regimes in turn.

Definitive importation of goods:

All goods imported from abroad, whether imported definitively or not, and whether subject to payment of the import tax or not, must be submitted for clearance. Customs clearance will
be carried out based on the import declaration presented to the customs office.

Prior to importing, importers should determine whether the product is subject to any type of import licensing. As a general rule, imports are not subject to licensing, and the importer does not have to acquire an import licence prior to or during importation. Instead, the importer registers the Import Declaration (also referred to as the “DI”) through the SISCOMEX upon arrival in Brazil.

Certain categories of goods or transactions may, however, require an automatic or non-automatic import licence. The importer may check whether a licensing procedure applies by consulting the SISCOMEX "Administrative Treatment" module. The Ministry of Economy also makes an online Administrative Treatment simulator available here.

Once the goods arrive in Brazil, the customs clearance procedure begins with the registration of the Import Declaration in SISCOMEX. The purpose of the customs clearance procedure is to identify the importer; verify the goods, including the correctness of the information regarding the nature, tariff classification, quantity and value of the goods; and verify compliance with the applicable tax and regulatory obligations. Before clearance, customs will assign the goods into one of the following channels for customs assessment.

- **Green channel**: goods will be automatically cleared, without further verification;
- **Yellow channel**: the operation will be subject to desk review;
- **Red channel**: the operation will be subject to desk review and physical verification;
- **Grey channel**: the operation will be subject to desk review, physical verification, and a special verification procedure.

After clearance, the customs authority issues an import receipt. Under Brazilian regulations, a completed import operation remains under customs review for up to five years, during which the importer must keep all records of the operation.

**Temporary admission regime:**

The temporary admission regime, largely regulated by Normative Instruction RFB N° 1600/2015, allows for the entry of certain goods for a predefined purpose and time period with total or partial relief of the import tariff and federal taxes on importation. There are four main categories of temporary admission:

- **Temporary Admission with Total Conditional Relief** applies to imports that will remain in the country for a fixed period of time. There is complete relief from the...
import tariff, and federal taxes on importation, subject to conditions. The main condition is re-exportation within the time-limit.

✓ **Temporary Admission for Economic Utilization** applies to goods used for rendering services in Brazil, and for capital goods for producing other goods destined for sale, for a fixed term. In this case the payment of the import tariff and federal taxes on importation is proportional to the period during which the goods remain in the country (1% per month of the amount that would have been due in a standard import operation) and there is conditional relief from the remainder of the tariff and taxes subject to re-exportation within the time-limit.

✓ **Temporary Admission for Active Improvement** applies to the importation of goods that will be subject to active improvement (further manufacturing, assembly, refurbishing, packaging or repackaging, fixing, repair or maintenance operations) and re-export. There is complete conditional relief from the import tariff and federal taxes which would have been applicable on importation.

✓ **Temporary Admission under the ATA Carnet Regime** is a special regime based on the Istanbul Convention, to which Brazil is a party. Normative Instruction RFB No 1657/2016 regulates the ATA Carnet Regime. The ATA Carnet is an international customs document for goods that facilitates the temporary importation of goods from participating countries, with conditional relief from import tariffs/taxes.

**Drawback regime:**

The drawback regime, established by Decree Law No. 37/66, consists of the suspension, exemption or refund of tariffs and taxes levied on inputs imported for use in products exported or exportable. There are three categories of drawback:

✓ **Exemption Drawback** exempts tariffs and taxes levied on raw materials or inputs imported in order to rebuild inventory that had been used in the production of another exported product.

✓ **Suspension Drawback** grants a conditional relief from the payment of tariffs and taxes levied on the importation of raw materials or inputs to be used in the production of a product for export.

✓ **Refund Drawback** refunds taxes paid on imports of imported inputs used in exported products.
Importation of samples:

The importation of samples without commercial value is exempt from the import tariff, the IPI, the COFINS-Importation and PIS / PASEP importation. The following are considered, as a general rule, samples without commercial value:

✓ Samples consisting of goods in a quantity, or in fragments or parts thereof, which are strictly necessary for demonstrating the nature, type, and quality of the goods;
✓ Goods contained in international postal consignments of no commercial value, not suitable for sale, for which the FOB price does not exceed USD 10.

Samples with commercial value are defined as those that cannot be proven to be without commercial value. Samples with commercial value are not tax exempt (with exceptions), and they are cleared upon payment of the applicable customs duties.

Required authorizations, certifications and inspections:

Depending on the product to be imported, the relevant authorities involved in the import authorization procedure may be, for instance, the Department of Foreign Trade Operations (DECEX) of the Ministry of Economy (ME), the Ministry of Agriculture, Livestock and Food Supply (MAPA), the Ministry of Health (MS), the National Health Surveillance Agency (ANVISA), the National Institute of Metrology, Quality and Technology (INMETRO), and the Brazilian Institute of Environment and Natural Renewable Resources (IBAMA).

By way of illustration, the following special rules may also apply:

✓ Rules on packaging: as a general rule, packaging must not mislead consumers regarding the quality or quantity of the product. Standards or technical regulations on packaging may apply depending on the product category. These requirements are normally issued by ANVISA, MAPA, or INMETRO.
✓ Rules on labelling: labels must normally be in Portuguese. Although given products may have different labelling requirements, as a general rule all labels should include the product name, weight in kilograms, quantity, dimensions of the box or container, country, manufacturer and exporter details.
✓ Agricultural, vegetal and crop products: Brazilian legislation and international agreements for the transit of crop products and agricultural inputs between countries establish rules to guarantee the quality, safety and conformity of products. In Brazil, the Ministry of Agriculture carries out the supervision and control through the
International Agricultural Surveillance System (Vigiagro). Procedures and phytosanitary requirements are product-specific, including on seeds and seedlings, beverages, food, and agricultural inputs.

✓ **Products of animal origin, foods and beverages**: the importation of products of animal origin, food and beverages requires prior authorization from MAPA and/or ANVISA.

✓ **Drugs and medicines**: the importation of medicines in the form of raw material, semi-processed product, bulk product or finished product - with the exception of medicines subject to special control, is subject to inspection and approval by ANVISA prior to customs clearance.

**Tariffs and taxes generally levied on the importation of goods:**

Generally, imported products are subject to the following taxes:

✓ **Import Tariff – II**: the import tariff rate is normally based on Mercosur’s Common External Tariff (TEC). Exceptions may apply.

✓ **Tax on Industrialized Products - IPI**: the IPI is a tax levied on industrialized products which is calculated by applying the IPI tax rate to the sum of the customs value of the goods and the import tariff.

✓ **Contribution to the PIS / PASEP and COFINS**: PIS/PASEP and COFINS are internal social contributions (a type of tax) to the Social Integration Program and Public Services Utilities (PIS / PASEP Import) and to the Financing of Social Security (COFINS Import).

✓ **Additional Charge for the Renewal of the Merchant Navy - AFRMM**: The AFRMM is a charge on freight to support the development of the merchant navy.

✓ **CIDE - Fuels**: the Contribution for Intervention on the Economic Domain – Fuels (a type of tax) affects the importation of gasoline and its by-products; diesel and its by-products; jet fuel and other kerosene; fuel oils; liquefied petroleum gas, including natural gas and derivative naphtha; and fuel ethanol.

ICMS: the Tax on the Movement of Goods and Services (ICMS) is a state level tax that applies to the movement of goods in the internal market. Brazil is a Federal Republic, and each of the 26 states and the Federal District has their own ICMS legislation with different rates and regimes.