

# Corporate income tax planning strategies for Brazilian shareholders

Corporate income tax and withholding tax: review your current strategies and anticipate the impact of the upcoming Brazil Tax Reform

- > What are your tax planning options before the Brazil Tax Reform (2337/2021 Bill)?
- > What would the reform change? What would be your options after the reform?

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## Understanding the current rules and their application

### Shareholders level

- Taxation of dividends
- Interest on Net Equity (INE)
- Transfer of assets and rights to shareholders in the context of corporate reorganisations: examples

### Corporate level

- Corporate Income Tax rates
- Taxation of capital gains

## What are the planning strategies applied in the context of the current rules? Usual mistakes and best compliant options

### Best options in the interest of companies and shareholders before the tax reform

- Tax efficient repatriation structures from domestic and foreign companies to its shareholders: dividend, interest on net equity, liquidation, loan (debt), service payments;
- Most common pitfalls and how to avoid the most common tax assessments

## How will the current regime be reformed? What are your options?

### Introduction: understand the sea change that the Brazilian government is willing to achieve through the 2337/2021 Bill

#### Shareholders level

- **Reintroduction of a withholding tax on dividends at a 15% or 20% rate**
  - Increased rate for beneficiaries in "tax heavens" or subject to a "privileged tax regime" as defined under Brazilian law
  - Who is targeted? What is a tax haven according to Brazilian legislation? What tax regimes are "privileged"?
  - What the reform would change? Examples

#### • Withholding tax to apply to distributions dividend

- How would this work?
- Will it apply to profits accumulated before the new rules become enforceable?
- Examples
- Potential legal and accounting strategies to avoid the taxation on pre-existing profits. What needs to be done to rule out the taxation in a safe and effective way
- How will dividends paid and received within a group of companies would be treated? Potential tax credits, deductions and offsetting. How to reorganize the companies to reduce such tax burden in a safe and effective way?
- How to rule out potential disguised distribution of profits situations? What would be the consequences if such a scenario is identified by the tax authorities? What to do before or after it happens?

• **Interest on Net Equity (INE)** paid or credited to shareholders no longer would be deductible: how is the INE defined/calculated? How does INE work for companies and shareholders now?

• **Assets and rights transferred to shareholders** in the context of corporate reorganisations would have to be considered at market value, triggering capital gains and losses: current tax regime applicable to transfers of assets and rights to shareholders; what the reform would change?

#### Corporate level

- **Change in the Corporate Income Tax rates:** how does it impact your company? Examples
- **Taxation of capital gains** earned on indirect transfers abroad of assets located in Brazil: what does it mean? Taxation at which rate?

## What are HNWI and its Brazilian companies doing in preparation for the tax reform impacts?

- What can be done in advance to efficiently prepare for any changes?

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## PRACTICAL INFORMATION

Venue  
Kameha Grand Zurich  
Dufaux-Strasse 1, Zurich

### Visio conference on Zoom

The Zoom link and the documentation will be sent to the participants on 29 March in the afternoon. Academy & Finance provides technical assistance before and during the conference: please contact Matheus Amorim at: [mamorim@academyfinance.ch](mailto:mamorim@academyfinance.ch)

### How to register

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by post: Academy & Finance SA  
PO Box 6069, CH-1211 Geneva 6  
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### Fees

620 CHF (+ VAT 7.7%)  
Additional registrations from the same company: - 50%

### Registration and payment

Payment is made by bank transfer or by credit card. Credit card payments will be debited immediately upon receipt of card details. In any case, we will send you an invoice by email.

### Substitution & cancellation policy

Substitutions from the same company are accepted at any time. Cancellation requests must be received in writing, by fax or by post up to the following dates end of business :

- 16 March refund of 100%
- after 16 March no refund will be made for cancellation.

## REGISTRATION FORM

I register for the conference on «Corporate tax planning strategies for Brazilian shareholders» on wednesday 30 March 2022.

I wish to attend online on ZOOM  I wish to attend in the conference room

### FIRST PARTICIPANT

Full name.....

Position.....

E-mail.....

### SECOND PARTICIPANT (-50%)

Full name.....

Position.....

E-mail.....

Company.....

Address.....

Postcode..... City.....

Tel ..... Fax.....

### Person to which the invoice must be sent for payment:

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Bank transfer  Mastercard  VISA  AMEX

Credit card No : \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Expiry date : \_\_\_\_ / \_\_\_\_

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