

Noureddine & Campeão  
advogados

Law firm established in the city of  
São Paulo

[www.noureddineecampeao.com.br](http://www.noureddineecampeao.com.br)

**LEGAL ASPECTS – INVESTMENTS  
AND TRADE IN BRAZIL**

**Luciano Campeão**  
Lawyer

[luciano@noureddineecampeao.com.br](mailto:luciano@noureddineecampeao.com.br)

# Forms of Legal Association in Brazil

The usual associations in Brazil are:

- “empresa limitada”, more known as **“limited partnerships”**
- “sociedade anônima”, also known as **“joint-stock company or coporation”**
- “sociedade em conta de participação” (**partnership with one ostensible and one “hidden” partner**), less used in Brazil, but useful for some investments

## Limited Partnership

- Created for two or more partners;
- The partners can be foreign, but they should always have a resident administrator in the country;
- For the foreign investor act directly in the direction of the company he/she has to reside in Brazil and has a permanently enabled visa to work, or at least, have someone that lives in the country as an attorney.

## Join Stock Company or Corporation

- Usually used by companies that have high investments – above 10 million dollars. Has a capital stock represented by shares and with profits distributed among shareholders;
- The constitution of this company depends on previous authorization and total accompaniment of the Brazilian government office called “Comissão de Valores Mobiliários” – CVM;
- Corporation has obligatorily to give publicity to the acts that practices;
- The foreign investor who wants to manage a company must use the same procedure as the limited. It needs that, at least, one Director of the company resides in Brazil and with permanent visa of work (if not a Brazilian).

# Partnership with one ostensible and one “hidden” partner

- It is a kind of **joint venture agreement**;
- This association has little formalities to be set, different from the others companies, and does not need to be registered in official offices;
- In this agreement, all the business is done with the established company, know as “ostensible partner” (a mercantile company);
- There are two kind of partners: the “ostensible partner” that is responsible for the administration of the business, and also appears in the business with third parties, and the “hidden partner” that does not appear for the third parties, as the business is done for the ostensible;
- That company is usually used by a certain period.

# Important Aspects in the Association with Brazilian Companies

- know the financial health of the brazilian company;
- analyze some aspects of the company which intend to associate as:
  - **Company tax debts;**
  - **Labor aspects.** In Brazil there is a specialized justice that treats of labor subjects. It is important to verify how they are the labor lawsuits judged against the Brazilian company;
  - **Civil law suits and Bankruptcy** – important to check the brazilian company has any problem in justice or request of bankruptcy
- Check, as even in a sale trade to brazilian company, if they are using correctly your trademark and has done all legal procedures to import your product.

# The Remittance of Money and Goods to Brazil

- The investment of the American company in Brazil can be made in money, machinery, equipment or goods;
- The transaction must be done through the Central Bank of Brazil – BACEN;
- The value of the entrance of the money will be properly declared in BACEN. In this way, the investor will be aided for the remittance of profits or in case of repatriating the money invested in Brazil.
- It will be supplied a permanent number for the Central Bank to the investor, that should be used in the entrance operations and exit of money of the country, for control matters.

# The Remittance of the Money Invested in Brazil for the United States

- The foreign investor can send for the USA, the money gained with the profit in the business, dividends or to repatriate the money.
- It is possible for the american company to repatriate the foreign capital back to USA. But all remittance must respect the values declared in the entrance of the money in Brazil, properly registered in the Central Bank (BACEN). Any amount sent over the declared in the entrance in Brazil must pay 15% of income tax.
- It is important the act of declaring any investment in Brazil, to be aided by the law and not to characterize improper remittance of money abroad, kind of practice banished by the Brazilian law.

# Exporting to Brazil – Important Aspects

- Before sign any agreement, also make sure:

- the brazilian company that is importing your product has an import authorization in Brazil – called “**RADAR**”;
- in some products, all the tax/cost that involves the import process might range from 80% - 200%. It is important for the american company have an idea of the final cost in Brazil;

# Trademarks and Patents

- The trademarks and patents in Brazil can be registered in the Federal Government Office called “**INPI – INSTITUTO NACIONAL DE PROPRIEDADE INTELECTUAL**”. This register can be of the name of the company, logo or both;
- it is advice that the american company provides registration of the trademark/logo used in the United States, to avoid the improperly use in Brazil. The registration can be done in the name of the american company, as even not established in Brazil;
- the association with the Brazilian company should and must be very clear in relation to intellectual property, to assure the rights of the American company in this matter.

## Internet – Register the Domain “com.br”

-For a foreign company register a domain “com.br”, must have an attorney, legally established in Brazil;

-Also must provide:

- Declaration of commercial activity notarized in the United States, which should specify: name, address, telephone number, corporate purpose, activities carried out, name and title of legal representative;
- Commitment of the company, also notarized, assuming that will definitively establish its activities in Brazil within 12 months, from the date of the statement.

## Contact:

**Luciano Campeão**

Tel.: (00 55 11) 7428-9478

[luciano@noureddineecampeao.com.br](mailto:luciano@noureddineecampeao.com.br)

[www.noureddineecampeao.com.br](http://www.noureddineecampeao.com.br)