

INFORMATION REPORT

MAY 2019

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INSURANCE AND OPEN SUPPLEMENTARY SOCIAL SECURITY

1) CALL FOR Private Insurance Superintendence - SUSEP PUBLIC INQUIRY No. 2/2019

The Federal Official Journal - D.O.U. published on 5/3/2019 the [notice](#) about the public inquiry into the [draft of the Resolution](#) of the National Council of Private Insurance - CNSP that creates the Electronic Registration of Transactions of Insurers, Open Supplementary Social Security Entities, Capitalization Companies, and Local Reinsurers (SRO).

In principle, the resolution seems to go in the opposite direction of the deregulation proposed by SUSEP, especially because it gives an identical treatment to

such different things as group life insurance, affinity insurance, large risks, and reinsurance.

It seems that the new ruling is intended to impose on all supervised entities the obligation to register with SUSEP all information related to performance bonds, including information related to counter-guarantee contracts.

Ideally, the need for a different treatment for different situations and the potential regulatory impacts should be discussed at a public hearing, and concerning this last aspect, aiming at the compliance with the Provisional Presidential Decree - MP on Economic Freedom.

2) DECREE No. 9783, OF 5/7/2019

Published on 5/8/2019 in the D.O.U., [Decree no. 9783/2019](#) approves the Regulation Structure and the Demonstration Table of Commissioned Positions and Positions of Trust of SUSEP, redistributes the commissioned positions and the positions of trust, as well as creates commissioned positions.

It seems that this rule is a preparation for the expected unification of the Private Insurance Superintendence and the Supplementary Social Security Superintendence.

3) SUSEP ADMINISTRATIVE RULE No. 7346, OF 4/25/2019

Published on 5/2/2019 in the D.O.U., [SUSEP Administrative Rule no. 7346/2019](#) grants authority to the Organization Board of the Private Insurance System – DIORG to decide on the participation in the Compulsory Insurance against Personal Injury caused by Land Vehicles - DPVAT Consortium and registration of admitted and occasional reinsurers in Brazil and authority for that Board to decide on amendments to the bylaws and articles of organization of the supervised companies and entities arising from spin-offs, consolidations, and mergers, except where the expansion or cancellation of the activities of the companies demands the cancellation of the operation authorization.

In addition, it grants authority to the Coordination Office of Authorizations and Liquidations to decide on:

I - the appointment and election of persons to hold positions under the articles of organization in the supervised companies and entities.

II - the free distribution of prizes related to the assignment of rights inherently related to capitalization bonds, addressed in article 10 of SUSEP Circular no. 376, of 2008;

III - the update of the registration of admitted and occasional reinsurers;

IV - the creation and closing of offices and representative offices of the supervised companies and entities;

V - the filing of records related to the matters indicated above; and

VI - the filing of proceedings related to liquidation and bankruptcies of the supervised companies and entities.

This important delegation of authority will expedite the procedures that are its subject.

4) SUSEP ADMINISTRATIVE RULE No. 7361, OF 5/21/2019

SUSEP Administrative Rule no. 7361/2019, published on 5/22/2019, provides for the provisional structure of SUSEP. [CNSP Resolution no. 346/2017](#) will be suspended until the approval of the new Internal Regulation of SUSEP within the term set in art. 4, par. 3, of [Decree no. 9783/2019](#).

According to this new Administrative Rule, SUSEP organization structure will be as follows:

I - collective body: Management Board.

II – bodies to provide immediate and direct assistance to the Superintendent.

III - sectional bodies.

IV – specific singular bodies (formed by 4 Technical Boards).

The competencies and composition of each body may be checked [here](#).

It seems that this rule is a preparation for the expected unification of the Private Insurance Superintendence and the Supplementary Social Security Superintendence.

5) Official Letter no.
23/2019/SUSEP/
Supervision Board -
DICON/Conduct Monitoring
Coordination Office -
CGCOM/COSET

SUSEP issued [Official Letter no. 23/2019/SUSEP/DICON/CGCOM/COSET](#) to inform the insurers that operate with court guarantee insurance and court guarantee insurance for tax foreclosure that “*in no circumstances, related to any insurance line, will it be presumed indemnity coverage for past events or risks so that the issuance or renewal of policies with retroactive effectiveness is totally*

divergent from the legal premises pertinent to the matter.

Thus, neither technically nor legally is it possible to issue an insurance policy covering court guarantee and court guarantee for tax foreclosure with a retroactive date.

SUSEP also highlighted that it is not possible to renew an insurance policy covering court guarantee or court guarantee for tax foreclosure with a date retroactive to the effectiveness of the policy previously issued.

Finally, SUSEP established that: (i) if the policy is not renewed in due time, the loss related to court guarantee or court guarantee for tax foreclosure will be characterized and may give rise to execution against the insurer (without prejudice to the policyholder offering a new guarantee or renewing the guarantee previously offered, without retroactive effect,) and (ii) if the policy is not renewed, the loss will be characterized as well, and it is not possible to state otherwise, except upon agreement among the parties (policyholder, insured, and insurer).

It seems that the purpose of the rule is to curb the insurers' freedom to manage the extension of the term

and renewal of the policies to decharacterize the occurrence of losses.

As a side effect, the new rules may prevent coverages that are not retroactive but relate to past facts producing future effects, a possibility that has always been an alternative for the issuance of more complex policies.

6) PRECEDENT 632, OF THE SUPERIOR COURT OF JUSTICE

On 5/8/2019, the 2nd section of the Superior Court of Justice - STJ approved Precedent no. 632: *"In the insurance contracts governed by the Civil Code, the inflation adjustment applies to the insurance indemnity as from the date of the contract until the effective payment.*

The precedent is another evidence that the Judiciary is not interested in understanding the disputes related to insurance and the impacts of court decisions on relevant matters such as the need for the economy

deindexation (subject of a specific law), which result in legal uncertainty for the insurance market and the society as a whole.

The Precedent may be in the [list of entries of the STJ Precedents](#).

7) CAIXA SELLS COUNTER OF INSURANCE IN STAGES

Caixa Seguridade, a holding that concentrates the insurance business of the Federal Savings Bank - CEF, carried out on 5/24/2019 the second round of the sale of its counter of insurance, an essential step for it to be listed in the Stock Exchange, which is expected for the second half of this year. At this stage, it is seeking four partnerships in the following insurance areas: large risks and legal entities; health; dental plans; and 24-hour assistance services.

8) IRB IS ON LIST OF DIVESTITURES OF BB

Rubem Novaes, president of Banco do Brasil (BB), put reinsurer IRB on the list of assets that will be sold by the bank. According to him, the interest in the reinsurer is the second on the list of divestitures, behind BB's investment in Neoenergia.

The discussions about the IRB are assisted by the investment bank of BB and also involve the National Treasury and other partners. The bank holds 15.2% of the reinsurer, of which 13.5% are linked to a shareholder's agreement.

In this regard, the Ministry of Economy also published on 5/30/2019 [Decree no. 9.811/2019](#), which includes in the National Destatization Program – PND the common shares held by the Federal Government representing the capital of IRB Brasil Resseguros. The Education Credit Guarantee Fund of Caixa sold this year its 8.9% interest in the capital of IRB, that is, 27.6 million shares, the first on the line of divestitures of the administration Jair Bolsonaro. Since the IPO of July

2017, the value of IRB shares more than tripled, from R\$ 27 to R\$ 92, reaching R\$ 104.30 on yesterday's trading floor.

9) MINISTRY OF ECONOMY ADMINISTRATIVE RULE No. 1822, OF May 30, 2019

Eduardo Fraga Lima de Mello was appointed director of SUSEP in a decree published by the Ministry of Economy on May 30. He is a SUSEP's employee. Those that had been appointed to this position are Vinicius Rattton, who worked at the Central Bank, Rafael Scherre, who worked at the National Agency of Civil Aviation - ANAC, and Bruno Dias, former social security and legal director of Fapes (pension fund of the Bank of Economic and Social Development - BNDES).

10) DECREE No. 9812, OF 5/30/2019

The Brazilian Presidency published on 5/30/2019 [Decree no..812/2019](#) amending Decree no. 9759/2019, which revokes and sets guidelines, rules, and limitations for the collective boards of direct government agencies, autonomous government agencies, and foundations of the Federal Government.

Among other amendments, the Decree refers to collective boards instituted by regulations, if the law that mentions them does not provide for their competency or formation.

The Decree provides that the concept of collective board does not comprise (i) the commissions addressed in art. 10 of Law no. 12846/2013; (ii) the Public Ethics Commission linked to the President and the ethics commissions addressed in Decree no. 1171/1994; and (iii) the assessment or monitoring commissions created to analyze management agreements executed with social organizations or

executive agencies qualified by the Federal Executive, autonomous social services, and the commissions provided in art. 3 of Law no. 10881/2004.

It seems that the purpose of this Decree is to rationalize and simplify the governmental structure in the several spheres, but it will produce relevant specific impacts if the new rules are not enacted. An example is the extinction of the Council of Resources of the National Private Insurance System - CRSNSP.

FINANCIAL MARKET, CAPITAL MARKET AND OTHERS

1) 6) LAW No. 13818, OF
4/24/2019

Published on 4/25/201, Law no. 13818 amends the Law of Corporations; This new law provides for compulsory publications and increases to R\$ 10,000,000.00 the maximum amount of the admitted shareholders' equity in order for closely held companies to join the simplified regime for the dissemination of corporate acts.

Until then, the Law of Corporations exempted from the publication of the documents only companies with less than 20 shareholders and shareholders' equity of up to R\$ 1 million.

To access the Law, [click here](#).

2) SUPPLEMENTARY LAW No. 166, OF 4/8/2019

Published on 4/9/2019, [Supplementary Law no. 166/2019](#) provides for the good credit standing record, as well as includes new provisions in, and amends provisions of Supplementary Law 105/2001 and Law 12.414/2011.

According to Law no. 12414/2011, the databases are a set of data related to individuals or legal entities stored to base credit granting, sales on credit or other commercial or business transactions that involve financial risk.

These databases may store information on the good standing of the users to obtain a credit history.

The new law grants some additional rights to the users, among them, the right to freely access, without justification, their information in the databases, including their history or score.

It also provides for the possibility of cancellation of the information, upon request whether through a physical

or electronic means or even over the phone so that the managers will not have access to the information.

The law imposes strict and joint liability on any database, source, or person that may consult the database for pecuniary damages and pain and suffering damages caused to the registered users.

3) SUPPLEMENTARY LAW No. 167, OF 4/24/2019

Supplementary Law no. 167/2019, published on 4/25/2019, created the so-called Simple Credit Companies - ESCs. The law provides that individuals may open a company in their cities to grant micro and small companies a loan.

According to this Supplementary Law, the ESC must be an Eireli – Limited Liability Individual Company owned by an individual or a limited liability company incorporated by individuals. In addition, the company must operate in the city where its head office is located or in the adjacent cities.

The law also provides that the total value of the company's loan transactions cannot exceed the capital it produces and that one individual cannot hold interest in more than one ESC, even if the ESCs are located in different cities or are a branch..

Supplementary Law no. 167/19 also instituted the Inova Simples program, which establishes specific procedures for startups to be opened and closed.

The full text of this supplementary law may be checked [here](#).

4) LAW No. 13820 OF 5/3/2019

[Law no. 13820/2019](#), published in the D.O.U. on 5/3/2019, is a significant improvement to the relationship between the National Treasury Office - STN and the Central Bank of Brazil - BCB, aligning the Brazilian institutional structure with the best international practices for the management of the

monetary and tax policies, and the management of the public debt.

This new law allows the most volatile revenues to be limited to the relationship between STN and BCB, preventing its impact on other sectors of the economy. It also ensures BCB an adequate quantity of instruments to manage the liquidity in the economy.

The three highlights of Law no. 13820/2019 are new rules for the allocation of the BCB's revenues; framework reinforcement ensuring the monetary authority the instruments necessary for effective enforcement of the inflation control policy; and a simple, symmetric, and more transparent flow of bonds and financial resources among the institutions.

5) LAWS CHANGING THE RULES FOR PUBLIC CONSORTIA ARE SANCTIONED

Published in the D.O.U. on 5/6/2019, Laws no. 13821/2019 and 13822/2019 amend Law no.

11107/2005, which set rules for consortia formed by federal entities and agreements involving these consortia and the Federal Government. These laws result from projects approved by the Congress in an attempt to reduce the bureaucracy in this segment.

[Law no. 13821/2019](#) reduced the legal requirements for the consortia, without reducing them for the federal entities that form the consortia.

The amendment was made through the insertion of the sole paragraph in article 14, which reads as follows: “For the execution of the agreements addressed in the head provision of this article, the legal requirements for good standing will apply to the public consortium involved and not to the federal entities that form it.”

In turn, [Law no. 13822/2019](#), amended par. 2 of art. 6 establishing that any employee of a public consortium, subject to the public law or subject to the private law and without economic purposes, will be subject to the Consolidation of the Labor Laws – CLT.

6) DECREE No. 9781, OF 5/3/2019

Published on 5/3/2019, [Decree no. 9781/2019](#) amends Decree no. 7724, of May 16, 2012, which regulates Law no. 12527, of November 18, 2011, on the access to information provided in item XXXIII of the head provision of art. 5; in item II of par. 3 of art. 37, and par. 2 of art. 216 of the Constitution.

According to this new Decree, the System S entities will be subject to the transparency rules laid down by the [Law on Access to Information](#).

7) PROVISIONAL PRESIDENTIAL DECREE ON ECONOMIC FREEDOM

The Federal Government instituted through [Provisional Presidential Decree no. 881/2019](#) the Declaration of Rights of Economic Freedom and

established free market guarantees and analysis of regulatory impact.

The guidelines will produce effects on the Civil, Business, Economic, Urban, and Labor Laws that must be obeyed by the states, the Federal District, and the cities, which may enact specific rules according to the need. The purpose of the Provisional Presidential Decree - MP is to guarantee the free enterprise and broad development of economic activities provided in article 170 of the 1988 Federal Constitution, favoring the micro entrepreneurs in particular.

The MP contains guidance related to government acts, such as licenses, authorizations, enrollments, registrations, permits and others required by the government as a previous condition for the development of an economic activity. Individuals and legal entities may develop business activities of low risk without depending on any governmental authorization.

Each federal entity will define a low-risk activity, otherwise, the list to be enacted by the Presidency or the Management Committee of *Rede Sim* will be applicable;

According to the MP, these economic activities may also be developed at any time or on any day of the week, provided that they do not cause damage to the environment, violate the neighborhood right, generate noise pollution, all subject to the labor legislation.

The MP reaffirms the price freedom, regarding both products and services, according to the offer and demand of the non-regulated market. This freedom will be restricted only in events of emergency or public calamity.

It is also intended to standardize the government inspectors and agents' interpretations of the authorization for the development of the economic activities. The decisions about applications for permits and licenses will be binding: what is defined for a citizen will be valid for all citizens in a similar situation, ensuring the conformity with the principle of equality to prevent arbitrariness.

Deadlines will be set for the federal government to reply to applications for authorization. If the deadline informed at the time of the application is not met, the application will be tacitly approved. Each entity will set their deadlines, provided that in accordance with the

limits established in a decree of the President. The MP also establishes that both digital and physical documents may be used for rights being proved and government acts being performed. Specific regulation on the equivalence will be enacted.

The MP also provides from bureaucracy immunity to the innovation, creating a favorable environment to the development of new products and services and the creation of startups. Tests, free or not, may be carried out for private and restricted groups, without the application of regulations that are not updated or that prevent the development of such products, provided that they do not pose risk to health or public security.

The MP amends Law 6404 of 1976, which deals with corporations, and allows the Brazilian Securities and Exchange Commission of Brazil - CVM to reduce requirements for the entry of small and mediums businesses into the stock market. Therefore, Brazilian companies will not need to go public in foreign countries where there is less bureaucracy.

It also establishes that the analysis of the regulatory impact is necessary for the enactment of rules by regulatory entities, an extremely important measure

that requires the regulatory entities to make rational decisions that will not cause relevant costs to the regulated sectors.

By extinguishing public acts to authorize low risk activities, guaranteeing the economic freedom, the immunity to innovation, and the simplification of the transactions in the stock market, this MP is a significant advancement and the single process in Brazil whose ample scope is to eliminate the excessive bureaucracy and regulation aiming at the liberalization of the Brazilian economy.

8) MP No. 882, OF 5/3/2019

Published on 5/3/2019, [Provisional Presidential Decree no. 882/2019](#) amended Laws no. 9.503/97 (Brazilian Traffic Code), 10.233/01 (structure of the Transportation Structure Department), 12.815/13 (port and port facilities), and 13.334/16 (Investment Partnership Program).

9) DECREE No. 9784, OF 5/7/2019

Published on 5/8/2019 in the D.O.U., [Decree no. 9784/2019](#) extinguished 55 collective councils of the Federal Government, including the Economic and Social Development Council (CDES), known as "Conselhão".

10) DECREE No. 9787, OF 5/8/2019

Published on 5/9/2019 in the D.O.U., [Decree no. 9787/2019](#) granted authority to the Minister of Economy to decide on and authorize the operation of foreign companies in Brazil.

The Ministry of Economy was also authorized to approve amendments to the articles of organization or bylaws and revoke operation authorizations.

11) Brazilian Securities and Exchange Commission - CVM STATEMENT No. 818, OF 4/30/2019

[CVM Statement no. 818/2019](#), published in the D.O.U. on 5/2/2019, dispenses with CVM' previous authorization for the advertisement material used in IPOs.

12) LAW No. 13,813 OF 4/9/2019

The Brazilian President Jair Bolsonaro sanctioned on 4/10/2019 [Law no. 13.813/2019](#) derived from Provisional Presidential Decree 852/2018, whose purpose is to enhance and modernize the management of the Federal Government' real estate.

The law authorizes the transfer to the Federal Government of approximately 3.8 thousand properties of the Fund of the General Social Security Regime that

are currently managed by the National Institute of Social Security - INSS). Those properties, appraised at R\$ 6 billion approximately, will be managed by the Office of Coordination and Governance of the Federal Government Property - SCGPU of the Ministry of Economy.

The SCGPU will also manage the properties appraised at approximately R\$ 1,4 billion of the former Rede Ferroviária Federal S.A. - RFFSA, whose Contingent Fund was extinct. The properties may be disposed of, donated or assigned for social purposes or to infrastructure, health, and education works of the municipalities.

The law also authorizes the direct sale of properties at auctions without the purchasers informing why they will buy them. If two consecutive auctions have no bids, the law authorizes a 10% discount on the value of the properties appraised at up to R\$ 5 million.

13) Federal Savings Bank - CEF CIRCULAR No. 855, OF 4/26/2019

Published in the D.O.U. of 5/2/2019, [CEF Circular no. 855/2019](#) clarifies that the Ministry of Economy will analyze the applications for authorization, issue authorizations, and inspect free distributions of prizes on account of advertising, through lottery, distributions of gift vouchers, contests or similar distributions, and charity lotteries, in view of the amendments introduced by Law 13756, of 12/12/2018, in Law 9649, of 5/27/1998.

All applications for authorization pending at CEF as from 12/13/2018, date of publication of Law 13756/2018, will be transferred to the Ministry of Economy.

This Circular 855 revokes CEF Circular of 10/31/2016.

14) Brazilian Central Bank - BACEN CIRCULAR No. 3936, OF 4/4/2019

Published on 4/8/2019, in the D.O.U., [BACEN Circular no. 3936/2019](#) amends Circular no. 3432/2009, which provides for the formation of consortia and operation of consortium groups.

This new Circular adjusts the provisions on investment of consortia' funds to make them compatible with the changes implemented by the Brazilian Securities and Exchange Commission - CVM in the classification and nomenclature of the investment funds.

15) Federal Controller Office - CGU NORMATIVE INSTRUCTION No. 003, OF 4/5/2019

The General Federal Controller Office published [Normative Instruction no. 3/2019](#), which defines the

modalities of adhesion and organization of the National Complaints Office Network and provides for the Program to Reinforce the Complaints Offices.

16) National Monetary Council - CMN RESOLUTION No. 4713, OF 3/28/2019

Published on 4/1/2019 in the D.O.U., [CMN Resolution no. 713/2019](#) provides for micro-credit transactions, including the oriented productive microcredit transactions carried out by financial institutions and other institutions authorized to operate by the Central Bank, and the allocation of funds derived from these transactions.

This CMN Resolution regulates [the law, approved in March of last year, which instituted the National Oriented Productive Microcredit - PNMPO](#) related to credit granting to small businesses. The resolution increases the loan amounts from R\$ 15 thousand to R\$ 21 thousand as well as the maximum limit for the

beneficiary's indebtedness from R\$ 40 thousand to R\$ 80 thousand.

Another change is that the first visit to the client to close the deal has to be face-to-face. All other contacts may be made through digital means,

17) Investment Partnerships Program/ National Destatization Program - PPI/PND RESOLUTION No. 57, OF 5/8/2019

Published on 5/28/2019, PPI/PND Resolution no. 57/2019, recommends the inclusion of the Federal Government's minority equity interest held in the capital of IRB-Brasil Resseguros S.A. and debentures for interest held in Vale S.A. in the National Destatization Program - PND.

This resolution may be checked in the [list of resolutions](#) of the Investment Partnerships Program.

18) DECREE No. 9798, OF 5/22/2019

Published on 5/23/2019, [Decree no. 9798/2019](#) amends [Decree no. 4993/2004](#), which created the Export Financing and Guarantee – COFIG.

The amendments were made especially because of the structural change of the Ministries implemented by the administration Jair Bolsonaro.

19) BACEN CIRCULAR No. 3942, OF 5/21/2019

Published on 5/23/2019, [BACEN Circular no. 3492/2019](#) sets procedures to be followed by the institutions authorized to operate by the Brazilian Central Bank to take the measures determined by Law no. 13810/2019, which provides for the enforcement of the sanctions imposed by resolutions of the United Nations Security Council, including the freeze of

assets of individuals and legal entities, and the national designation of those under investigation into or accused of terrorism or terrorism financing or acts related to terrorism.

In sum, this circular regulates the procedures for freeze of assets of individuals and legal entities involved in money laundering, under Law no. 13810/2019. See our [Information Report of March/2019](#), which address the law in detail.

20) BACEN CIRCULAR LETTER No. 3950, OF 5/21/2019

Published on 5/23/2019, [BACEN Circular Letter no. 3950/2019](#) sets the procedures to be followed to provide information about the corporate structure of financial institutions and other institutions authorized to operate by the Brazilian Central Bank addressed in Circular no. 3941/2019.

According to this Circular Letter, the information addressed in art. 1 of Circular no. 3941/2019 must be

transmitted using the models, layouts, completion instructions, example-files, and the validation schemes XSD (XML Schema Definition) of the Map of Formation of Capital, all available on Central Bank page on the Internet, at <https://www.bcb.gov.br/estabilidadefinanceira/mcc>.

21) Company Registration and Integration Department - DREI NORMATIVE INSTRUCTION No. 062, OF 5/10/2019

Published on 5/23/2019, [DREI Normative Instruction no. 62/2019](#) provides for the automatic registration addressed in pars. 3 to 6 of art. 42 of Law no. 8934/1994, included by [Provisional Presidential Decree no. 876/2019](#).

In brief, it provides that the automatic grant will be applied to the filing of the organizational documents of (i) Individual entrepreneurs; (ii) limited liability individual companies – EIRELI; and (iii) limited liability

companies, except for governmental companies, where:

- The previous consultations related to the viability of the trade name and location are completed;
- The articles of organization contain only the standard clauses provided in the annexes to this normative instruction; and
- The compulsory documents, whether digital or physical, to support the application for filing provided in the annexes to this instruction are submitted.

The automatic granting will not apply to (I) cases deriving from transformation, consolidation, spin-off or conversion and (ii) full payment of capital with units of ownership of other company.

22) Federal Revenue Office - RFB NORMATIVE INSTRUCTION No. 1895, OF 5/27/2019

Published on 5/28/2019, [RFB Normative Instruction no. 1895/2019](#) amends RFB Normative Instruction no. 1863/2018, which provides for the National Register of Corporate Taxpayers - CNPJ.

Due to the amendment, the record information in the CNPJ related to business entities and the specified entities, such as investment clubs, entities domiciled abroad, and unincorporated joint ventures - SCPs, must comprise the persons authorized to represent them and the equity interest chain reaching the individuals that are the final beneficiaries, or any entity mentioned in the form it establishes.

In regard to the information, the exceptions are multilateral bodies or international organizations, central banks, governmental entities or sovereign funds, and the entities controlled by them.

This new normative instruction also provides that, in the case of an investor resident and domiciled in a jurisdiction with which Brazil signed an agreement for exchange of information related to the taxes referred to in Decrees no. 8506/2015 and 8842/2016, the Investor's legal representative may provide the necessary information.

23) National Department of Transport Infrastructure - DNIT NORMATIVE INSTRUCTION No. 5, OF 4/12/2019

Published on 5/28/2019, [DNIT Normative Instruction no. 5/2019](#) instituted within the ambit of DNIT the Administrative Proceeding to Verify Liability for Environmental Costs - PRCA to verify the liability of consortium members, parties to the agreement, intervening parties, and suppliers for environmental

costs imposed on DNIT due to environmental infringements.

According to this normative instruction, where the liability for a conduct that resulted in Notice of Environmental Infringement does not fall on the consortium members, parties to the agreement, intervening parties, and suppliers, the case record will be sent to the Internal Affairs Office for verification of administrative, criminal, and civil liabilities, as well as administrative corruption.

24) BACEN RESOLUTION No. 4721, OF 5/30/2019

Published on 5/30/2019, [Resolution no. 4721/2019](#) provides for the formation, operation authorization, operation, corporate restructuring, and cancellation of operation authorization of Credit Companies for Micro-Entrepreneurs and Small Companies.

According to this Resolution, the Credit Companies for Micro- Entrepreneurs and Small Companies -

SCMEPP may issue electronic currency, provide credit analysis and collection services to third parties and operate as insurance representative.

The purpose of this Resolution is to promote and strengthen the operation of these institutions to develop the microcredit in the National Financial System - SFN.

In addition, the requirements for minimum capital and net worth were updated at R\$ 1 million (previously R\$ 200 thousand), which will be required gradually throughout the next four years.

The procedures for operation authorization and cancellation of those entities were improved as well.

TAX

1) 3) ANSWER TO Regional Federal Revenue Superintendences - DISIT/SRRF INQUIRY No. 7015, OF 3/13/2019

Published on 4/2/2019 in the D.O.U., [Answer to DISIT/SRRF Inquiry No. 7013/2019](#) linked to General Coordination of Taxation - COSIT Inquiry no.336/2018. According to this answer, the reciprocate offset of debts and credit related or not to social security taxes is possible only if their assessment period corresponds to a period after the introduction of the eSocial.

2) RFB NORMATIVE INSTRUCTION No. 1888, OF 5/3/2019

Published on 5/7/2019 in the D.O.U., [RFB Normative Instruction no. 1888/2019](#) instituted and regulated the compulsory provision of information to the Federal Revenue Office related to transactions carried out with virtual assets corresponding, separately or in the whole, to an amount equal to or exceeding R\$ 30,000.00.

Among that information, the transaction date, the transaction type, those who carried out the transaction, the crypto assets, the number of crypto assets, the value of the transaction in reais, the service fees charged for the transaction, if any, must be informed as well. The normative instruction also sets the fine amounts for provision of incorrect or untimely provision of information.

It will be applicable to transactions performed as from August 1, 2019.

3) RFB NORMATIVE INSTRUCTION No. 1889, OF 5/6/2019

Published on 5/8/2019, [RFB Normative Instruction no. 1889](#) amends RFB Normative Instruction no. 1753/2017, which provides for the procedures to annul the effects of administrative measures issued based on authority granted by commercial laws contemplating a change or adoption of new accounting methods or criteria.

This new RFB Normative Instruction included in RFB Normative Instruction no. 1753/2017 the Annex V related to the Accounting Pronouncement Committee - CPC no. 06 - Lease, which sets the procedures to annul the tax effects of this CPC

4) General Assistance Coordination Office - COGEA EXECUTIVE DECLARATORY ACT No. 5, OF 5/3/2019

Published on 5/7/2019 in the D.O.U., [Executive Declaratory Act no. 5](#) informs about the procedures for the delivery of digital documents of former companies by the new companies, delivery of statements of dissatisfaction or oppositions, in the following events: (i) electronic proceedings, (ii) nonexistence of digital or electronic proceedings; applications for tax compliance certificates, and applications for rectification of payments requested through digital dossier of opened assistance via e-CAC, among other procedures.

5) Office of the General Counsel for the National Treasury - PGFN ADMINISTRATIVE RULE No. 448, OF 5/13/2019

Published in the D.O.U. of 5/16/2019, [PGFN Administrative Rule no. 448/2019](#) provides for the payment in installments addressed in articles 10 to 13, and 14 to 14-F of [Law no. 10.522/2002](#) of debts registered as overdue federal tax liability administered by PGFN.

Previously, the application for payment in installments of social security tax liabilities registered as overdue was made on e-CAC Portal of the RFB. Now the applications must be made through [Regularize](#), the digital platform of PGFN.

Two new types of divisions into installments are available: Division without Guarantee and Division with Guarantee.

Division without Guarantee is oriented to social security and non-social security tax liabilities

registered as overdue in the Record of Overdue Tax Liabilities - DAU, whose debit balance to be divided into installments (one or more registrations) is equal to or less than R\$ 1 million.

Division with Guarantee is oriented to tax liabilities registered as overdue, whose debit balance to be divided into installments (one or more registrations) exceeds R\$ 1 million. The application to offer guarantee must be made through a form filed in person with an RFB's Taxpayer Assistance Unit after the payment of the first installment.

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