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Preface

When I started my business life some fifty years ago, Brazil was known to the outside world only for its coffee and nuts. The country was sparsely populated, and in 1940, of a population of some 41 million, approximately 35% were contributing to the economy. In 1939 a new Code of Civil Procedure was introduced to be replaced by an up-to-date code in 1972. A Company Law was enacted in 1940, itself being replaced by the new Company Law of 1976. During the years between 1939 and 1989, the country grew considerably so that today the population has expanded to more than 142 million, of whom more than 59 million are economically viable. The change has been dramatic and this is best illustrated by a personal recollection. When I married in 1941 we had to travel by dirt road to Rio de Janeiro, with an overnight stop, and on the return journey, when the heavy rains started, the two main cities of Brazil—São Paulo and Rio de Janeiro—were totally cut off for a fortnight. It is gratifying to observe that since those days, communications are much improved and the real growth of the country is evidenced by the developed network of roads throughout Brazil. If for no other reason—and it is not for me to discuss the serious problems the world is facing—if for no other reason, let me repeat it, this obvious growth of Brazil has attracted the attention and interest of the civilized world. Many countries have attempted to cash in on Brazil's dramatic development. Most have been successful—very successful, even. This means that there is renewed and continuing interest today amongst businessmen and professionals worldwide to know more about a country whose development and growth are continuing at an astonishing rate.

My partners and I, together with our associates and staff, have worked for over two years to put together all the material that is contained in this volume. We have attempted, and I hope succeeded, in providing a detailed and thorough examination of relevant legislation and practice in Brazil for the benefit not only of commercial lawyers throughout the world, but also those with commercial interests in my country. While the text may not enable such readers to make final decisions, it should at least make them aware of the effects of our commercial and related law and help them to ask the right questions of their local or foreign advisers. I believe that this work is the first of its kind to provide such a complete and extensive coverage of the commercial laws of Brazil. The work is in a loose-leaf format so that its contents can be kept up-to-date on a regular basis for the benefit of subscribers.

I undertook the task of preparing this work because I am convinced that the dissemination worldwide of information about Brazil and its potential to the foreign businessmen and his legal advisers will result in bigger and more interesting investments in the country. Because of the growth of Brazil in recent years, there is now a general feeling that native enterprises should be helped in their dealings with giant multinationals which have considerable stakes in the country. Smaller companies, though, should not be forgotten since there are endless possibilities for them to make a positive contribution to Brazil's continuing development. We are all still learning and I am proud to record that Brazil has herself made a positive contribution to the world at large. We are no longer a country whose commercial and

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other activities are confined to its borders. Increasingly, Brazilian enterprises are undertaking commitments and developing projects in other countries in the world. The lessons we learn in doing business outside Brazil will make those responsible for Brazil sympathetic to and aware of other interests besides our own. That must work to the ultimate benefit of all.

I have many people to thank for their part in putting together this work. Firstly, my partners who have written the various specialist chapters which make up the text, as well as their associates and assistants, without whose research and knowledge the chapters could not have been put together. Second, the ladies in the office who typed up the many pages of written and re-written text, and the translators for their invaluable help in translating large parts of the text from Portuguese into English.

Every effort has been made to ensure the accuracy of the contents of the text and the translation of source materials, and I accept full responsibility for any mistakes or omissions which may occur.

It is very satisfying to come to the end of this stage of a work which was first proposed some time ago, especially as it makes its appearance at a time when Brazil is known to the world in circumstances completely different from those prevailing when I started my practice. It is my sincere hope that this trend continues.

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List of Abbreviations and Acronyms

The following abbreviations have been used in the work.

ABNT	Brazilian Technical Norms Association
ADR	American Depositary Receipts
BEFIEEX	Commission for Tax Incentives to Special Export Programs
BNDES	Brazilian Economic and Social Development Bank
BTN	Brazilian Treasury Bond
BTNF	Fiscal Brazilian Treasury Bond
CADE	Administrative Economic Defense Council
CAPRE	Commission for the Coordination of Electronic Processing Activities
CDB	Bank Deposit Certificate
CDC	Consumer Protection Code
CDI	Industrial Development Council
CECRE	Special Commission for Placing Risks Abroad
CEF	Federal Savings Bank
CF	Federal Constitution
CFRT	Federal Labor Relations Council
CIP	Price Commission
CLT	Consolidated Labor Laws
CMN	Brazilian Monetary Council
CNC	Consolidated Exchange Rules
CNDA	Brazilian Copyright Council
CNP	Brazilian Petroleum Council
CNPq	Brazilian Scientific and Technological Council
CNPS	Brazilian Social Security Council
CNSP	Brazilian Private Insurance Council
CONIN	Brazilian Informatics and Automation Council
COSIF	Accounting Plan for Institutions in the Brazilian Finance System
CP	Privatization Certificate
CPA	Customs Policy Council

Abbreviations and Acronyms

CPC	Code of Civil Procedure
CPI	Industrial Property Code
CREA	Regional Council for Engineering, Architecture and Agronomy
CRRT	Regional Labor Relations Council
CSN	National Security Council
CST	Tax System Coordination Office
CTN	Brazilian Tax Code
CTPS	Work and Social Security Book
CVM	Securities Commission
CZPE	Export Processing Zone Council
DAP	Supply and Price Department
DECAM	Exchange Control Department of the Central Bank of Brazil
DECEX	Foreign Trade Department of Banco do Brasil S.A.
DEPIN	Informatics Office Department
DPF	Federal Police Department
DJU	Court Gazette
DL	Decree-law
DNPDC	Brazilian Consumer Protection Department
DNPDE	Brazilian Economic Protection and Defense Department
DNRC	Brazilian Department for Registration of Trade
DOE-SP	Official Gazette of the State of São Paulo
DOU	Official Gazette of the Federal Executive
DRF	Federal Revenue Office
DRT	Regional Labor Office
FAF	Financial Investment Fund
FGTS	Unemployment Compensation Fund
FINAM	Amazônia Investment Fund
FINEX	Export Financing Fund
FINOR	Northeast Investment Fund
FINSOCIAL	Social Investment Fund
FIRCE	Foreign Capital Department
FISSET	Sectorial Investment Fund
FUNRES	Espirito Santo State Economic Recovery Fund

Abbreviations and Acronyms

IAPAS	Institute for the Financial Administration of Social Security and Assistance
IBGE	Brazilian Institute of Geography and Statistics
ICMS	Tax on Distribution of Goods and Services
IDR	International Depositary Receipts
II	Import Duty
ILL	Tax on Net Profits
INAMPS	Brazilian Institute of Social Security and Medical Assistance
INCRA	Brazilian Institute for Rural Settlement and Farm Reform
INPC	Brazilian Consumer Price Index
INPI	Brazilian Institute of Industrial Property
INSS	Brazilian Social Security Institute
IOC	Tax on Exchange Transactions
IOF	Tax on Financial Transactions
IPC	Consumer Price Index
IPI	Tax on Manufactured Products
IPTU	Urban Building and Land Tax
IRB	Brazilian Reinsurance Institute
IRPF	Individual Income Tax
IRPJ	Corporate Income Tax
ISS	Tax on Services
ITBI	<i>Inter-vivos</i> Transfer Tax
JTACSP	Decisions of the Civil Appeals Court of the State of São Paulo
JUCESP	Commercial Registry of the State of São Paulo
LBC	Central Bank Bills
LFT	Financial Treasury Bills
MJ	Ministry of Justice
MNI	Manual of Rules and Instructions
MP	Provisional Measure/Public Attorney's Office
MS	Writ of Mandamus
MVR	Highest Reference Value
NBC	Central Bank Notes
PBDCT	Basic Plan for Scientific and Technological Development

Abbreviations and Acronyms

PDTI	Industrial Technology Development Program
PIS	Profit Participation Program
PLANIN	First Brazilian Informatics and Automation Plan
PNI	Brazilian Informatics Policy
RE	Extraordinary Appeal
RIR	Income Tax Regulations
RT	Court Review
RTJ	Quarterly Case Law Review
RTJTSP	Case Law Review of the Higher Court of São Paulo
SAT	Work Accident Insurance
SCT	Science and Technology Office
SECEX	Foreign Trade Office
SEFAL	Legislative Drafting and Review Department of the Ministry of Justice
SEI	Special Informatics Office
SENAC	Brazilian Service for Commercial Apprenticeship
SENAI	Brazilian Service for Industrial Apprenticeship
SESC	Commercial Workers' Social Service
SEST	Office of Control of State-owned Companies
SINFOR	Suboffice for Public Sector Informatics Control
SINPAS	Brazilian System of Social Security and Assistance
SNDE	Brazilian Office of Economic Law
SNMA	Brazilian Mediation and Arbitration Service
SRF	Federal Revenue Office
STF	Federal Supreme Court
STJ	Superior Court of Justice
STN	Brazilian Treasury Office
SUDAM	Development Authority for Amazônia
SUDENE	Development Authority for the Northeast
SUFRAMA	Manaus Free Trade Zone Authority
SUNAB	Brazilian Supplies Authority
SUSEP	Private Insurance Authority
TAB	Brazilian Customs Tariff
TCU	Federal Accounts Tribunal

Abbreviations and Acronyms

TDA	Agrarian Debt Notes
TF	Federal Court
TFR	Federal Court of Appeals
TR	Reference Rate
TRD	Daily Reference Rate
TST	Superior Labor Court
UFIR	Reference Tax Unit
ZPE	Export Processing Zone

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