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The Canadian Trade
Commissioner Service

Everywhere you do business

Brazil: A Primer For Canadian Exporters and Investors

Opportunities, eh!

Brazil is ripe with opportunities for Canadian businesses

Boasting half of the continent's population, half its land mass and over half of its gross domestic product, Brazil is South America's economic powerhouse. Canadian firms willing to devote time and energy will discover Brazil to be an economic giant, ripe with business opportunities in virtually every sector. Brazilian industry is modern and even a world leader in certain areas, and it is in constant need of cutting-edge technology and services.

If you think that your products or services have market potential in Brazil, your next step after reading this primer should be to contact us at the Canadian Trade Commissioner Service to request one of our key services we offer to Canadian businesses. You can e-mail us at: commerce.br@international.gc.ca.

Louis-Pierre Emond – Senior Trade Commissioner
Consulate General of Canada – São Paulo

Opportunities being pursued in Brazil:

Infrastructure: The key to the Brazilian government's economic expansion, with the country looking at investments of over US\$800 billion in the coming years. Expected investments will mostly focus on energy generation, telecommunication, water and wastewater, urban infrastructure (roads, railways, airports, ports, hotels), and public security.

For the 2014 FIFA Football World Cup US\$15 billion were spent in Brazil to upgrade the arenas, infrastructure, accommodation, and transportation. The 2016 Olympics in Rio de Janeiro is expected to facilitate US\$14 billion in investment, with the majority anticipated to be in infrastructure, such as urban transport, which is currently lacking in the city.

Education: The number of Brazilians going to Canada for study purposes rose from 10,500 in 2004 to over 20,000 in 2011, spending an estimated \$628 million to study in Canada. As Brazil continues to invest in infrastructure, transportation, civil construction, industrial ports, ship-building, and oil refineries, the demand for a qualified, skilled work force also rises. At present, Brazil is unable to provide the necessary training to keep up with this demand; consequently, it is looking abroad for assistance with training that could be delivered in country. Additional training opportunities exist targeting those working in the services sectors.

Aerospace: Brazil is the home of Embraer, one of the largest aircraft manufacturers in the world, and also hosts an Eurocopter helicopter manufacturing facility, both source of global value chains opportunities. Brazilian growing demand for international, regional and offshore flights has increasingly generated opportunities related to the maintenance, repair and overhaul (MRO) of aircrafts and training of engineers and pilots. Defence and telecommunication satellite programs are planned for the next 5 years.

ICT/Telecom: The Brazilian IT market is easily the largest in Latin America and spending in the IT market is forecast to nearly US\$42 bi by 2016. This makes Brazil one of the fastest growing global markets and with household PC penetration at around 50%, further double-digit PC market growth is expected. Although the situation has improved since 2007, Brazil's company spending on IT measured as a percentage of revenue is still believed to lag behind that of its global peers. Meanwhile, growing SME interest in cloud computing will drive more investment in data centres and IT services.

Clean Technologies: Brazil meets almost 50% of its energy demand through renewed energy sources. The country has 15.3 GW of renewable energy installed capacity and is ranked 10th globally. A ten-fold increase in solar, wind and biomass energy generation and transmission is expected by 2020. The Brazilian water utilities industry had in 2011 revenues of \$34.1 billion.

Annual investment of \$4 billion is planned by the water and wastewater sector until 2020.

Oil and Gas: With the second largest proven reserves in South America and more and more significant natural gas reserves, Brazil's state-run oil giant Petrobras has announced its 2012-2016 business plan with investments valued at US\$ 236.5 billion over the next 5 years. There are many opportunities for international suppliers of goods and services in the various segments of the oil & gas industry with a focus on exploration and production offshore the Brazilian coast. However, foreign companies must bear in mind potential advantage or the necessity to make direct investments or partnerships with local firms in order to cope with strict local content requirements.

The Trade Commissioner Service: Our Key Services

The Canadian Trade Commissioner Service in Brazil helps Canadian companies that have researched and selected Brazil as a target market. We work with companies that can demonstrate their commitment to succeed in Brazil. Whether you're a small or large company, new or experienced in foreign markets, our Trade Commissioners are on site in Brazil to help you make your first steps in the country to assist you with solving problems with your current operations:

- ✓ **Prepare for International Market:** we'll help you pursue local business opportunities.
- ✓ **Assess Your Market Potential:** we can help you assess your potential by providing market intelligence and advice on improving market strategy.
- ✓ **Find Qualified Contacts:** we'll help you identify potential buyers and partners, agents, professionals in financial and legal institutions, technology sources, etc.
- ✓ **Resolve Problems:** we'll help you with market access problems and urgent business challenges.

For further information, please visit www.tradecommissioner.gc.ca

Exporting Goods and Equipment to Brazil:

Understanding the procedures and the costs involved is essential. Always consult an expert.

Brazil is often labelled as a country where doing business is complicated and expensive. That reputation is not entirely deserved but for certain products, Brazil's tariffs can be high and the country's tax and import licensing system can be complicated. A good understanding of the import mechanisms and costs is therefore essential to setting up a successful business operation.

All exporters should consult a local law or trade firm to help them navigate through the local rules and taxes. You may obtain a list of such firms by contacting us: commerce.br@international.gc.ca.

The table "Estimated Final Costs Breakdown" shows an example of what US\$100,000 of goods exported from Montreal or Toronto in a 20-foot container would end up costing in Brazil, compared with a locally manufactured product. It details some of the main Brazilian taxes of interest to exporters, which are:

- **The Import Duty or Tariff**, is payable on the customs clearing of foreign goods into the country and its rate may be increased or decreased in order to meet the interests of the Brazilian economy.

- **IPI (Duty Over Industrialized Products)** is the federal excise tax applied to all manufactured products, both locally produced and imported. Rates vary according to the type of good.

- **ICMS (State Tax - Tax on Circulation of Goods and Services)** is a state-level value added tax applied to most products, both locally produced and imported. Its rates range between 7% and 25% depending on the state. The average rate is 18% (as in the case for the main importing states of São Paulo, Rio de Janeiro, Minas Gerais and Rio Grande do Sul).

- **PIS (Federal Tax - Private Company Employee Fund)** and **COFINS (Federal Tax - Social Security Financing Contribution)** are levied on imports, assessed on the customs value of goods or the price paid for services, including applicable taxes. Current rates are:

PIS..... 1.65% or 2.30%

COFINS... 7.60% or 8.65%

Description	Product Canada	Product Brazil
F.O.B	100,000.00	100,000.00
Freight:	2,000.00	
Insurance:	510.00	
Capatazias / THC	182.18	
CUSTOMS VALUE:	102,692.18	100,000.00
Import Tax (Ex: 15.00%)	15,403.83	
IPI (EX: 12.00%)	14,171.52	16,494.85
PIS (Ex: 1.65%)	2,395.03	2,268.04
COFINS (Ex: 7.60%)	11,031.64	10,446.74
ICMS (Ex: 18.00%)	31,994.39	24,742.27
Warehousing	667.50	
Collect Fee	68.32	
SDA (Custom's Broker's Union Fee)	293.64	
Customs Brokerage Fee	300.00	
Storage	300.42	
Warfage	182.04	
AFRMM - Merchant Marine Tax	548.05	
Siscomex Fee	26.36	
Bank Charges (1 to 3% of FOB)	2,000.00	
TOTAL	182,074.90	153,951.90
Landed Cost Ratio	182.07	153.90

Disclaimer: This is only an example of an import cost breakdown. For specific information please consult a custom broker. A list of some local companies is published on our website at: <http://tradecommissioner.gc.ca/visit-info-visiteur/6052.aspx?lang=eng>

Should you wish to receive information on the estimated import costs for your product, please contact us at commerce.br@international.gc.ca, including your HS code(s) and detailed product description.

There are a number of other taxes and fees that may apply to certain types of imports, and exporters should therefore consult a local law or customs expert to receive a professional evaluation before closing a business transaction.

Import Licenses and Procedures

All products imported into Brazil are subject to Brazilian customs procedures and fees. Import procedures are computerized through the use of SISCOMEX (Sistema de Comércio Exterior), which allows the importer or customs broker to initiate the import process by entering information from a pro-forma invoice directly into the system, which then indicates whether an automatic import license may be issued and confirms all import duties and other applicable taxes.

Import licenses must be obtained prior to the shipment of the goods, and are issued only to importers registered with the Brazilian International Trade Secretariat (SECEX).

Non-automatic licenses are issued for products such as weapons and radioactive materials, pharmaceuticals and other drugs in general, medical equipment and food stuffs. These products require prior registration with the appropriate

Brazilian ministries. Non-automatic import licenses are normally issued within one to two weeks. The import of used goods, such as equipment, clothing, motor vehicles and tires is often restricted or prohibited.

Product Registration and Labelling

Food products, raw or processed, are under the responsibility of the Ministry of Agriculture or the Brazilian Health (ANVISA), some of which such as foods of animal origin (dairy, meats, fish and honey) as well as some special foods (diet foods, foods for infants) require approval prior to shipping to Brazil. For exports of animal origin food products, the exporter's plant in Canada must also be pre-approved by the Ministry of Agriculture. All food product labelling must be in Portuguese, with information concerning the product's origin, price, quantity (using the metric system), composition, quality, date of production and validity, as well as risks to health, if any. The name, address and telephone number of the importer must also be indicated.

All labels for animal origin foods (meats, dairy products, seafood products, honey) must be previously approved by the Ministry of Agriculture. In this case, a specific form must be completed and signed by Canadian Food Inspection Agency officials.

The registration of pharmaceutical products, medical devices and equipment, as well as any wellness food product with health claims, is responsibility of the Brazilian Health Agency – ANVISA. As with foods, labels of pharmaceutical and cosmetics, must include the date of production and validity, and in case of equipment and devices the instructions of use for equipment and devices must also be provided in Portuguese.

For both pharmaceutical and wellness food products, both quantitative and qualitative formula of the product will have to be disclosed for registration. In case of pharmaceutical products and medical equipment the exporter's manufacturing facility will also have to be pre-approved by ANVISA's officials.

Costs for registration vary according to the type of equipment, size of the manufacturer/importer.

Other government ministries and departments, such as the Ministry of Environment and the Nuclear Institute, are also involved in the registration of controlled products (i.e.: nuclear isotopes), or products that require specific storage/handling.

Packing materials

All untreated solid wood packing material including pallets, used in the transport of any commodity into Brazil must be free of bark, pests and signs of pest damage. Materials not complying with these requirements will be required to be treated (fumigated) at points of entry or destination in Brazil before eventual release. Canadian exporters are advised to ensure that only high quality material wood or chip board or plywood (or any other man-made material) are used to construct packaging material accompanying shipments to Brazil. For further information, exporters should contact the Canadian Food Inspection Agency: www.inspection.gc.ca.

For more details on Brazilian taxes and fees:

PriceWaterhouseCoopers - Doing Deals in Brazil

<http://goo.gl/P2L4Ip>

World Bank - Ease of Doing Business in Brazil

<http://goo.gl/ftyfzL>

EDC Export Development Canada – Doing Business in Brazil

<http://goo.gl/pDTvfJ>

Ernst & Young – Doing Business in Brazil

<http://goo.gl/5MJfJV>

Deloitte – About Doing Business in Brazil

<http://goo.gl/9e8wDx/>

Selling Software and Engineering Services:

Only the physical medium (CD-ROM, etc.) on which software is carried is subject to an import tariff. The value of the medium and the value of software must be carefully separated on all import documents, or else the tariff will be levied for the full value of the software. In the case of software delivered over the Internet, no import tariff applies. In all cases, however, payments made to Canadian companies for software are subject to a withholding tax of 15%. See Double Taxation.

Canadian engineering firms have had success in Brazil in many industries such as telecommunications systems, mining, transportation, pulp and paper, environmental engineering as well as oil and gas. Joint ventures are common between domestic and foreign engineering firms that have expertise in a particular area.

Approximately 80% of engineering firms are located in the city of São Paulo.

Engineering projects in Brazil must be under the responsibility of an engineer licensed through the Federal Council of Engineering and Architecture (“CREA - Conselho Regional de Engenharia, Arquitetura, e Agronomia”). Foreign engineering firms usually choose to partner with local firms so that this requirement can be met.

Furthermore, Brazilian laws and regulations stipulate that foreign engineering firms must either be established in Brazil or have a Brazilian partner. Canadian engineering firms may consider developing partnerships or joint ventures with Brazilian firms or with foreign firms already active in the market.

Since 2000, many main highways in Brazil are being privatized. Canadian consulting firms may look to some of the firms that won highway concessions to secure engineering contracts. The Brazilian government is looking to private-public partnerships to develop and renovate the country’s ports. Canadian firms may find consulting contracts with larger firms that have been awarded infrastructure development contracts. Civil and mechanical engineering opportunities may be sought with the domestic and foreign firms that have been awarded concession rights to explore and extract oil and gas, forestry and mining commodities. These same firms may need environmental impact assessments conducted by Canadian environmental engineering firms.

For more details on exporting software:

Investment Guide to Brazil - 2014

<http://goo.gl/wEOQHx>

What Canadians Should Know Before Getting Started

Double Taxation

Canada is one of 25 countries with which Brazil has signed and ratified a double taxation treaty. The treaty refers exclusively to income tax for Brazilian residents and for overseas residents with income in Brazil, and to the corresponding taxes in the countries in question. Profits and dividends distributed on the basis of the results recorded are exempt from withholding income tax (IRF, or “imposto de renda retido na fonte”). Capital gains are normally taxed solely in Brazil (at the rate of 15%), if they result from the sale of real property or the assets of companies located in Brazil. All other types of capital gains and other income is normally taxed in Brazil (at the rate of 15%), and also in Canada. As a general rule, in order to avoid double taxation, the treaties provide either that the tax paid in Brazil may be treated as a credit when paying tax in Canada, or that the income already taxed in Brazil is not subject to tax in Canada.

Collection of the withholding tax operates as follows: if the tax is for the local company’s account, the company deposits 117.65% of the value of the net remittance, the bank withholds 15%, and remits 100% of net value due to Canada. If the tax is for the Canadian company’s account, the local company deposits 100% of the value, the bank withholds 15% and remits 85%. You receive the 85% plus proof of tax withheld in Brazil.

With this receipt, your accountant can reduce income tax payable at the end of the fiscal year by the equivalent amount in Canada. The credit process is only of interest to the profitable Canadian company.

Intellectual Property Rights

The Brazilian legal framework for intellectual property adheres to international standards and encourages corporate appreciation of the importance of intellectual property issues. In 2003, a new regulation covering the piracy of CDs and books was enacted, increasing the penalties for the violation of intellectual property rights, and certain rules of the Criminal Code were modified, extending criminal sanctions for the violation of ancillary rights and those derived from unlawful electronic distribution.

While the country is actively combating piracy, levels remain relatively high for both consumer and industrial goods. The problem is not legislation, but enforcement, owing to a lack of financial and human resources. The National Institute of Industrial Property (INPI), responsible for the analysis and registration of brands, patents, designs, etc., is experiencing a backlog of 500,000 brand registrations and 60,000 pending patents. It can take the Institute up to 4 years to grant a brand registration and up to 7 years to authorize a patent.

The difficulties involved in registering a patent serve as a major disincentive for companies to become involved in intellectual property protection. Also, it is still quite onerous for Brazilian companies to register their patents, especially if they intend to protect products for export, as Brazil is not a member of an international system for intellectual property protection.

TIPS:

Due to the complexity of the taxation system in Brazil, you are advised to contact a law firm who will be able to advise you on the application of the double taxation treaty. A list of reputable Brazilian law firms can be found on our website:

www.tradecommissioner.gc.ca

A listing of firms specialized in Intellectual Property Rights is also available.

For more details on how to recover the tax credit, contact Canada Revenue Agency: www.cra-arc.gc.ca.

You can read the Canada-Brazil Income Tax Convention online: http://www.fin.gc.ca/treaties-conventions/in_force--eng.asp

For more details on intellectual property issues:

Brazil: IP Laws and Treaties - World Intellectual Property Organization

<http://www.wipo.int/wipolex/en/profile.jsp?code=BR>

Manaus Free Trade Zone (FTZ) – Fiscal Incentives

Federal

- ✓ Import Tax (II): 88% reduction on the inputs of industrial goods. In the case of IT goods, reduction is proportional to the national added value.
- ✓ Tax on Industrial Products (IPI): Total exemption.
- ✓ Income Tax (IR): 75% reduction on the income tax. Exclusively for reinvestments. Common to all Legal Amazon Region.
- ✓ Social Integration Program (PIS) and Social Security Financing Contribution (COFINS): Zero-rated tariff for incoming goods and inter-industry internal sales, and an aliquot of 3, 65% (with exceptions) on the finished goods sales to the rest of the country.

State (in each state of the union)

- ✓ Value added taxes on sales and services (ICMS): Incentive credit from 55% to 100%. In all cases there are some contributions to funds for support of high education, tourism, R&D and others.

Further info on Manaus Free Trade Zone: <http://goo.gl/H8DRXc>

Brazilian Labour Laws

The CLT is the main legal instrument governing labor relations in Brazil and it contains more than 900 articles. Please refer to page 110 at "Legal Guide for Foreign Investors in Brazil for additional background: <http://goo.gl/wEOQHx>

Corruption

Corruption remains a significant and persistent problem in Brazil. The country ranked 72th in the "Corruption Perception Index 2013", alongside countries such as China (80th) and India (94th). Canada ranked 9th. Canadian businesses should take great care to avoid any involvement, actual or perceived, in doubtful dealings. Corporations and individuals can be prosecuted in Canada for corruption that occurred abroad.

For more information:

Transparency International: www.transparency.org

The Corruption of Foreign Public Officials Act: <http://goo.gl/ehp2Zb>

Structuring Your Operations in Brazil

Most successful Canadian enterprises maintain a solid association with a local firm capable of protecting and promoting their interests.

All customary methods of conducting international trade exist in Brazil including agents, distributors, import houses, trading companies, and subsidiaries of foreign firms. The most common way for Canadians to do business in Brazil is through the actions of a sales representative or agent with technical capabilities. Although some Brazilian companies import directly from overseas manufacturers without local representation, in most cases the presence of a local agent or distributor is an essential condition to sell on the market. The selection of an agent requires careful consideration. In almost all cases during sales contract negotiations, local buyers will place emphasis on quality as well as on technical assistance and training as major components of the package. In Brazil, larger representatives have sales offices in several Brazilian cities to supply buyers throughout the country, whereas smaller representatives may either supply companies in a limited region or appoint agents in different regions outside of their operational area.

The governing law must be Brazilian: any disputes under the agency agreements must be resolved by Brazilian civil courts. There are many arbitration institutions in Brazil, and the Centre of Arbitration of Canada-Brazil Chamber of Commerce is one of the most reputable in the market (www.ccbc.org.br).

Canadian companies should consult with a local law firm before signing with a Brazilian partner. Commercial distribution contracts are not regulated by specific legislation, only by general Brazilian commercial law. Although contract clauses are freely negotiated between a foreign firm and a local agent, there are specific laws that govern this relationship. The indemnification payable to the agent in case the contract is broken is established by law and is usually very favourable to the agent. The establishment of a full subsidiary of a foreign corporation, while legally possible, can be a bureaucratic challenge in Brazil. The establishment of joint ventures between Canadian firms and Brazilian partners is often preferred, and allows to compete in segments of the government procurement market and in other areas subject to government regulation, such as telecommunications and capital goods. The local partner's knowledge of the market, business practices, and cultural and political environment are also key factors that make foreign businesses prefer joint ventures over subsidiaries. Corporate joint ventures involve creating a new corporate entity jointly controlled by all co-venturers. Contractual or non-corporate joint ventures do not involve creating a new company, but its participants continue to contract rights and obligations individually, although for the common benefit of the group. The contractual joint venture agreement should contain all sufficient information to avoid it being confused with a corporate joint venture. Formation of a corporate joint venture or the establishment of a subsidiary can be accomplished through a variety of business entities, the most common of which are "Limitada" or "Ltda.", that creates a limited liability quota company, similar to a Canadian limited partnership, and "Sociedade Anônima" or "S.A.", where the capital of the company is divided in shares, and accountancy reporting requirements are more stringent.

General directives and guidelines related to the issue of work permits to foreigners, according to Law nr. 6.815/80, which defines the juridical situation of foreigners in Brazil: <http://goo.gl/LRnWp2>

Financing Your Endeavour

Canadian firms searching for financing options for their Brazilian transactions can access the services of two well-known Canadian entities with a wealth of experience in Brazil.

Export Development Canada (EDC)

EDC has regional offices in São Paulo and Rio de Janeiro. The offices are co-located with the Canadian Consulate General in both cities. EDC provides a wide range of financial products that help Canadian exporters and investors do business around the world, including accounts receivable insurance, working capital support, bonding services, and political risk insurance. EDC also provides export financing to buyers of Canadian capital goods and services. EDC financing can be structured as direct loans, lines of credit with local banks, project financing, etc. Much of EDC business is carried out in partnership with other financial institutions.

With EDC products in place, you can offer your international buyers flexible financing and payment options to increase your competitive advantage.

Refer to EDC's Doing Business in Brazil guide: <http://goo.gl/pDTvfJ>. For more information:

On the web, visit: www.edc.ca

In Canada, phone: 1 888 235 6148 or 1 613-598-2500

In Brazil, phone: +55 (11) 5509-4273322 – Sao Paulo, or +55 (21) 2543-3004, ext 3209 – Rio de Janeiro.

Northstar Finance

Northstar aims to provide an alternative for financing Canadian export transactions, typically in the range of \$100,000 and \$5 million, with medium repayment terms. Canadian exporters can use the facilities of Northstar, provided they meet Northstar's requirements for export performance and sell to a credit worthy foreign buyer insurable by EDC.

On the web, visit:

www.northstar.ca

In Canada, phone: 1 800 663-9288

Business Development Bank of Canada (BDC)

BDC's mission is to help create and develop Canadian businesses through financing, venture capital and consulting services, with a focus on small and medium-sized enterprises (SMEs).

In promising foreign markets such as Brazil, BDC offers highly tailored consulting solutions to assist clients with market entry strategy development and implementation. The Bank also provides direct long-term financing to support Canadian companies investing in foreign working capital, equipment, and buildings.

On the web, visit: www.bdc.ca

In Canada, phone:

Carl Gravel, National Director, Global Expansion

In Canada, phone: 1-514-283-7463

Investing in Brazil

Since Brazil has a diversified and advanced manufacturing base, Canadians are discovering that investing in Brazil sometimes represents their best option for market penetration.

The Brazilian congress approved constitutional amendments in 1995 to eliminate the distinction between foreign and national capital, and foreign investors have been permitted to invest in the Brazilian stock market since 1991. Formerly closed sectors were also opened to foreign investors, such as petroleum, telecommunications, mining, power generation, and internal transport. Foreign capital is still prohibited or restricted in sensitive sectors such as nuclear energy, health services, domestic airlines, post services, and properties on frontier zones. The government has recently started to relax restrictions on foreign capital in the Brazilian press and broadcasting sector.

It is important to note that all foreign investment must be registered with the Central Bank. The process is generally a pro forma matter. A certificate of registration issued by the Central Bank permits remittances of profits and repatriation of invested capital without additional Central Bank authorization.

The federal and state governments have incentive and credit programs designed to attract and retain productive activity in the country. These programs are available to Brazilian and international companies that wish to develop their business in Brazil. Incentives are essentially fiscal and financial, structured as exemption, delayed collection or financing of taxes due, together with land grants and other mechanisms, rather than cash grants.

For more information on investing in Brazil:

APEX Brazil's Trade and Investment Promotion agency www2.apexbrasil.com.br/en
Investment Guide to Brazil 2014 - <http://goo.gl/wEOQHx>

São Paulo: <http://www.investe.sp.gov.br/?lang=en>

Rio Grande do Sul: www.agdi.rs.gov.br e www.saladoinvestidor.rs.gov.br/

Rio de Janeiro: <http://rio-negocios.com/en/>

Minas Gerais: <http://www.desenvolvimento.mg.gov.br/>

Travelling to Brazil on Business



Visas, vaccines, customs and our tips on doing business the Brazilian way

Brazil's way of life and culture is somewhat different than the rest of Latin America. Business conversation and correspondence can often be in English, but promotional material should be in Portuguese. Spanish-speaking Canadians can make themselves understood, but most Brazilians prefer to speak English. Some tips to help stimulate your Brazilian business sensibilities:

1. Look for other Canadian companies doing business in Brazil and talk to them. They might provide valuable information and refer you to well-connected local contacts. And contact us, of course! We can provide you with our key services to get you started in Brazil;
2. Be prepared to spend at least two years of intense effort before actual profits start flowing in. Even if your products or services fit nicely, things take longer than in Canada;
3. Get a good local partner: in most cases, business relationships and after-sales support cannot be adequately handled from Canada;
4. Come to Brazil often: even if your local partners are reputable and respected (and they should be), Brazilians will still want to deal with you, at least sporadically, face-to-face. Business is generally transacted "between

friends,” between people who know and trust each other, but you should always consult with a good local law firm before entering into any agreement;

5. Business hours are generally advertised as 8:00 am to 6:00 pm, but decision makers usually begin later and stay later in the evening, particularly in “workaholic” São Paulo;
6. Business lunches: unless you are well versed in the local cuisine, look for someone to recommend a prestigious restaurant. Business is generally not discussed during a meal but rather after it, over coffee. Business dinners, also common, rarely start before 9:00 pm;
7. Dress codes vary from location to location but, in general, it is better to err on the conservative side. Men should wear slacks and long-sleeved shirts for casual attire;
8. Don’t bankrupt your company waiting for a payment. Talk to your bank and to Export Development Canada (EDC), and work with confirmed letters of credit;
9. Factor waiting times and traffic into your schedule and make your meetings longer;
10. Brazilians perceive Canadians as different from Americans. Play on this advantage. Brazilians believe Canadians are honest, sensitive to cultural differences, co-operative, punctual, and can be relied upon to deliver. This image is a competitive advantage, and must be guarded carefully.

GET A VISA BEFORE YOU TRAVEL!

Canadians need a valid visa to enter Brazil. If don’t have a visa you will be refused entry upon arrival and sent home. There are NO exceptions. Business visitors should always request a “business visa - temporário II”. Apply for a visa at the earliest date possible, preferably at least three weeks in advance. Contact the Embassy of Brazil in Ottawa for the latest application procedure: www.brasembottawa.org

Travellers who have recently visited Bolivia, Colombia, Ecuador, Peru, and Venezuela, French Guiana or specific African countries will be required to show proof of yellow fever vaccination.

Brazilian Customs

Travelers are allowed to bring sufficient clothing and personal belongings for the length of their stay. Goods purchased in the duty-free shop at the arrival or goods purchased abroad which are worth less than US\$500 are considered for personal use, and therefore, shall not pay taxes.

On the other hand, foreigners traveling to Brazil on a temporary status and carrying goods whose unitary value is less than R\$3,000 are automatically granted a temporary admission regime.

Goods whose unitary value is worth more than R\$3,000 have to be specified in order to be granted a temporary admission regime (this is especially relevant for business people carrying sample equipment).

SAFETY TIP

It is important to read the Government of Canada’s latest travel report before embarking to Brazil. Visit www.voyage.gc.ca and select “Brazil” from the “Travel Report” menu.

Should you require consular assistance during your stay in Brazil, contact the nearest Canadian representation or the 24-hour watch office in Ottawa:

Brasilia: +55 (61) 3424-5400

Rio de Janeiro: +55 (21) 2543-3004

São Paulo: +55 (11) 5509-4321

Watch Office: +1 (613) 944-6788

“Brazil a Primer” is a publication by the Canadian Trade Commissioner Service in Brazil.

Website: www.tradecommissioner.gc.ca

E-mail: commerce.br@international.gc.ca

LinkedIn: <http://Linkd.in/TCS-SDC-Brazil>