



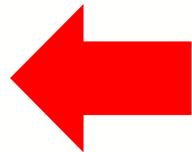
GCECONSULTORIA

YOUR GATEWAY TO BRAZIL

TAXES AND ACCOUNTING IN BRAZIL

Figure 1.3: Who makes Paying Taxes easy and who does not – and where is the Total Tax Rate highest?

Time (hours per year)			
Fastest		Slowest	
United Arab Emirates	12	Cameroon	654
Bahrain	36	Ecuador	654
Qatar	48	Senegal	666
Bahamas, The	58	Mauritania	696
Luxembourg	59	Chad	732
Oman	62	Venezuela, RB	792
Switzerland	63	Vietnam	872
Saudi Arabia	72	Nigeria	956
Seychelles	76	Bolivia	1,025
Hong Kong SAR, China	78	Brazil	2,600



source: <http://www.pwc.com/gx/en/paying-taxes/assets/pwc-paying-taxes-2014-full-report.pdf>

Most Common Brazilian Corporate Taxes							
tax	name (Portuguese)	name (English)	authority	tax base	buying credits*	rate (%)	observations
ICMS	Imposto sobre Circulação de Mercadorias e Serviços	VAT on goods	state	gross turnover goods	yes	0-30	varies for different products and states
IPI	Imposto sobre Produtos Industrializados	VAT on industrial products	state	gross turnover industrial products	yes	0-15+	average, depending on products
II	Imposto de Importação	import tax	federation	CIF value of merchandise	no	0-60+	depending on products
PIS	Programa de Integração Social	social integration program	federation	gross turnover	depends*	0,65 - 1,65	
COFINS	Contribuição para o Financiamento da Seguridade Social	social security contribution	federation	gross turnover	depends*	3 - 7,6	
ISS	Imposto sobre Serviços	VAT on services	municipality	gross turnover services	no	0 - 5	depending on municipality; São Paulo: 5%
IRPJ	Imposto de Rende de Pessoa Jurídica	company income tax	federation	gross profit or estimate	no	15 - 25	
CSLL	Contribuição Social sobre Lucro Líquido	social security contribution on income	federation	gross profit or estimate	no	9	
IOF	Imposto sobre Operações Financeiras	financial transactions tax	federation	loans, insurance, imports, other	no	0-1,5	weekly discount by banks
IPTU	Imposto sobre a Propriedade Predial e Territorial Urbana	realty property tax	municipality	official estimate of realty value	no	0,60	10 monthly payments, starting each january

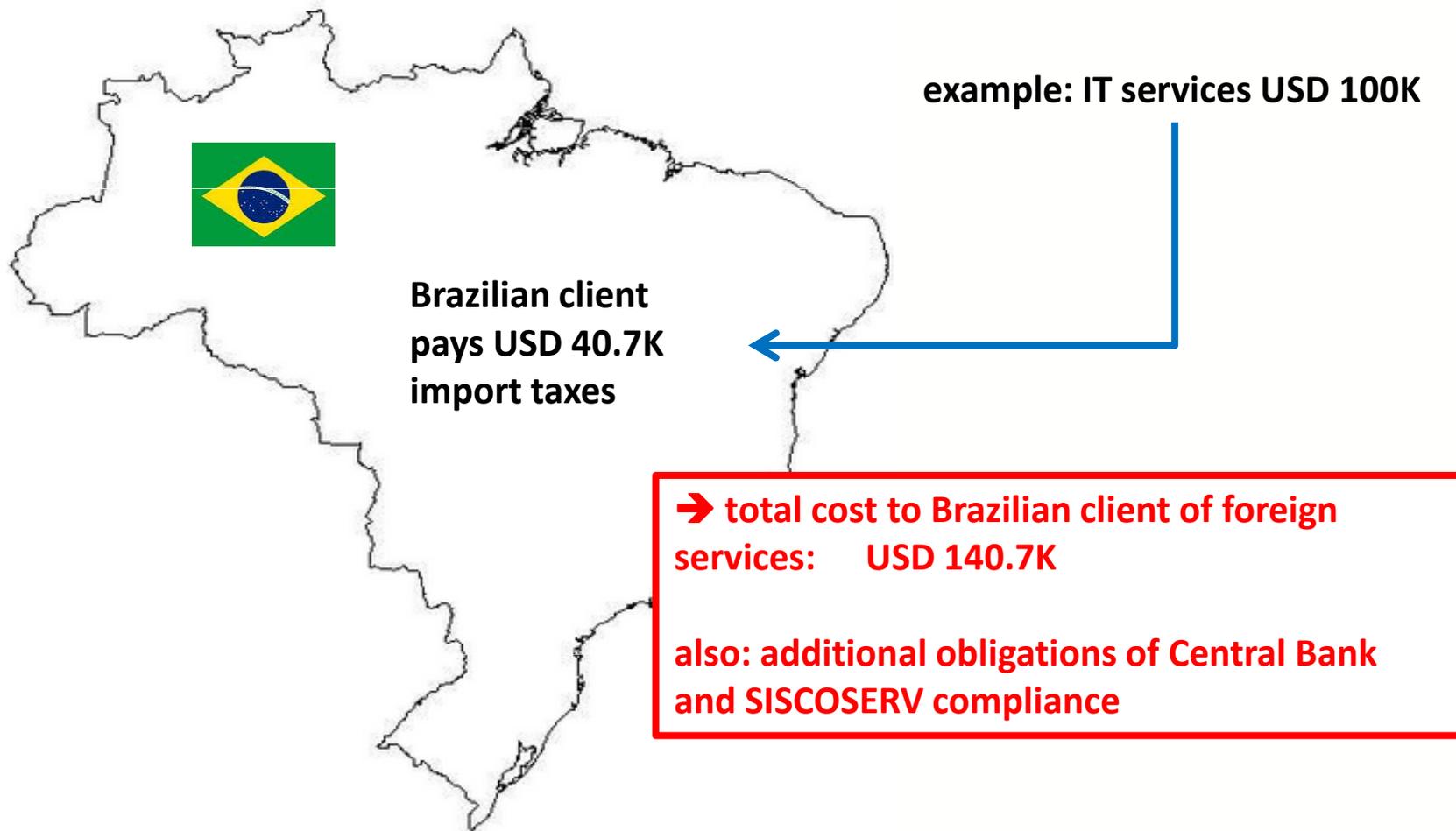
fiscal year = calendar year

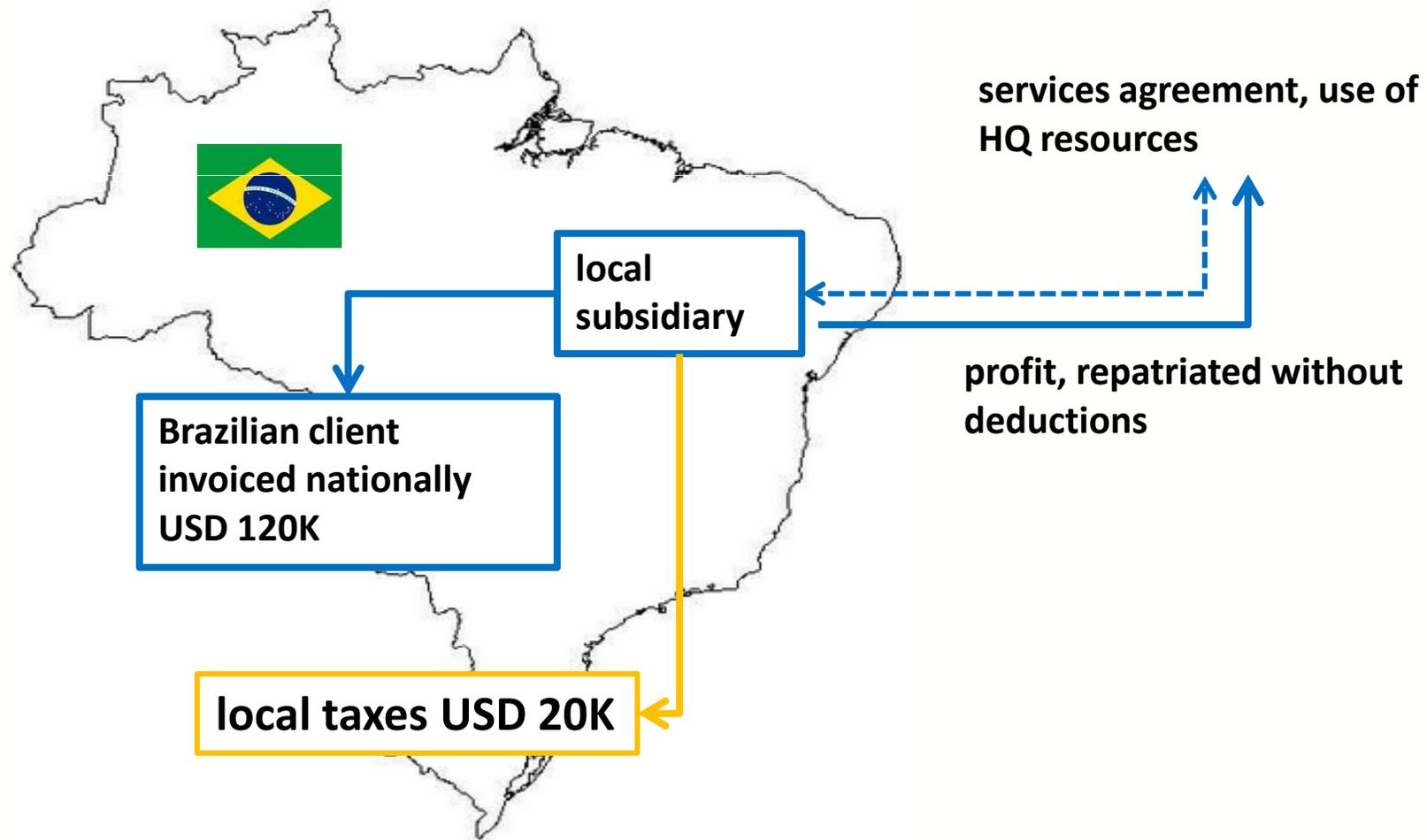
* tax included in items bought/consumed deductible from tax due for items sold

** "lucro presumido": no; "lucro real": yes

- Each tax has separate, complex legislation, withholding rules and due dates.
- Omissions and errors in tax statements are severely fined.

Argentina	Czech Rep.	India	Netherlands	South Africa
Austria	Denmark	Israel	Norway	South Korea
Belgium	Ecuador	Italy	Peru	Spain
Canada	Finland	Japan	Philippines	Sweden
Chile	France	Luxemburg	Portugal	Ucrania
China	Hungary	Mexico	Slovakian Rep.	





example:

car parts FOB EUR 535K

- material costs, freight EUR 105K

= profit margin EUR 430K



**net import and
sales taxes to
importer EUR
312K**

**Brazilian client net
target price EUR
742K**

