



Programs for the Payment of Debts of the State of São Paulo (PEP) of the ICMS and PPD 2017

1. Decrees 62709/2017 and 62708/2017 were published on the Official Gazette of the State of São Paulo on July 20, 2017, to regulate the Programs for Payment of Debts in Installments – PEP of the ICMS and PPD 2017, respectively.
2. The PEP (Programs for Payment of Debts in Installments) covers tax debts related to the ICM and ICMS¹ arising from triggering events occurred up to December 31, 2016, assessed or not, enrolled in the Government's outstanding debt register or not, and subject to discussions at the judiciary level.
3. The payment of the ICMS PEP can be made at sight without financial increases, or in up to 60 installments with financial increases of 0.64, 0.80 and 1 percent per month, depending on the chosen number of installments for payment.
4. In the ICMS PEP, the tax substitution debts can be paid in up to 6 consecutive monthly installments, while tax debts arising from transactions or installments by taxpayers who are not regular before the Tax Authorities can be settled in a lump sum, except if the debt is enrolled in the Government's outstanding debt register and subject to discussions at the judiciary level, case in which the payment can be made in up to 60 installments.
5. The ICMS PEP can also be applied to debts: spontaneously reported or informed to the Tax Authorities by the taxpayer, not reported by means of GIA – ICMS Information and Calculation Form (except for debts related to the *Simples Nacional*²; arising from financial penalty for breach of ancillary obligation; remaining balance of installment interrupted until January 30, 2017, and enrolled in the government's outstanding debt register, executed in the scope of the PPI of the ICMS/2007, PEP of the ICMS/2012, PEP of the ICMS/2014, and PEP of the ICMS/2015; remaining balance of installment as per articles 570 to

¹ ICM – *Imposto sobre Operações Relativas à Circulação de Mercadorias* and ICMS – *Imposto sobre Operações Relativas à Circulação de Mercadorias e sobre Prestações de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação* are both State Value-Added Taxes charged on the circulation of goods, but the ICMS is also charged, since the 1988 Federal Constitution, on interstate and intermunicipal transportation and communication services.

² *Simples Nacional* is the Simplified Taxation System.

583 of the RICMS/SP; and debts subject to the *Simples Nacional*, with a few exceptions.

6. On the other hand, the 2017 PPD covers tax debts arising from triggering events that occurred up to December 31, 2016, and non-tax debts past due up to the same date, enrolled in the Government's outstanding debt register, and subject or not to discussions at the judiciary level, related to:
 - Tax on the Property of Vehicles (IPVA);
 - Tax on Donations and Inheritance (ITCMD);
 - Tax on Inheritances, in force before the enactment of Law 10705/2000;
 - Tax on Donations, in force before the enactment of Law 10705/2000;
 - Fees of any kind and origin;
 - Judicial fee;
 - Non-tax administrative fines of any origin;
 - Contractual fines of any kind and origin;
 - Fines imposed in criminal cases;
 - Repayment of salaries of government employees of any category; and
 - Reimbursements or refunds of any kind and origin.
7. Debts related to the balance of installments interrupted, balance of installments in progress, and remaining balance of installments executed within the PPD 2014 and PPD 2015, can also be included in the PPD 2017.
8. In this Installment Program (PPD 2017), the payment can be made in a lump sum or in up to 18 consecutive monthly installments; in this case, there is a financial increase of 1 per cent per month.
9. For both Installment Programs (ICMS PEP and PPD 2017), the State of São Paulo will grant reductions of punitive fines, fines for overdue payments and interests, varying from 40 up to 75 per cent, according to the debt (tax and non-tax) and the payment method (at sight or in installments).
10. Taxpayers can join the Installment Programs from July 20 to August 15, 2017, by accessing the following websites: www.pepdoicms.sp.gov.br and www.ppd2017.sp.gov.br.

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