



LEGAL LETTER

December/2018

Brazilian Federal Revenue Service extends the deadline for the disclosure of ultimate beneficial owner

The Brazilian Federal Revenue Service (“RFB”) published today – December 28, 2018 – the Normative Instruction 1863 (“IN 1863”), which regulates the National Corporate Taxpayer’s Register (“CNPJ”) and revokes Normative Instruction 1634/2016.

The new normative instruction grants a term of 180 days, counted from today, for business entities and other entities established in IN 1863 to inform their ultimate beneficial owners (“UBO”). The original term to disclose the UBO’s identity would end on December 31, 2018.

IN 1863 maintained the definition of UBO, namely (i) an individual who, ultimately, directly or indirectly, owns, controls or significantly influences an entity; or (ii) an individual on whose behalf a transaction is performed. Significant influence means that the individual, directly or indirectly, holds more than 25% of the entity’s corporate capital, or who exercises the control in the decision-making process in corporate resolutions and holds the power to elect the majority of the entity’s officers.

Finally, it should be noted that the failure to comply with the obligation to inform the UBO will bring about the suspension of the CNPJ and the impediment to carry out transactions with financial institutions, including transactions with bank accounts held in Brazil.

This newsletter contains information and general comments on legal matters that may interest our clients and friends. It does not represent the legal opinion of our firm on the subjects addressed herein. In specific cases, readers should rely on proper legal assistance before adopting any concrete action relating to the matters addressed herein.

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