



## CHANGES TO THE LIST OF TAX HAVENS AND PRIVILEGED TAX REGIMES AND ON THE DOCUMENTATION RELATED TO TAXES PAID ABROAD

Normative Instruction of the Brazilian Federal Revenue Service (“IN RFB”) 1773/17, published on 26/12/17, with effects as of 1/1/2018, introduced changes to IN RFB 1037/10, which lists the jurisdictions considered as tax havens and the regimes considered as privileged tax regimes, as follows:

- (i) Exclusion of Costa Rica, Madeira Island and Singapore from the list of tax havens; and
- (ii) Inclusion in the list of privileged tax regimes of **(a)** the Free Trade Zones of Costa Rica; **(b)** the International Business Centre of Madeira; and **(c)** several regimes of Singapore.

In addition, IN RFB 1772/17, also published on 26/12/17, introduced changes to INs RFB 213/02 and 1520/14 (taxation on profits earned abroad), specifically in what refers to the documentation related to the taxes paid abroad.

For the purposes of offsetting taxes paid abroad levied on profits earned by directly or indirectly controlled companies, affiliate companies and/or branches, the Brazilian legal entity shall, in principle, submit the documents related to the payment of such taxes supported by the legalization (“consularização”) process. According to IN RFB 1772/17, such legalization may be replaced by the apostille provided by the Convention Abolishing the Requirement of Legalization for Foreign Public Documents (Decree 8660/16)<sup>[1]</sup>. Such apostille shall be affixed together with the official document of the tax authorities of the country where the tax was paid and translated into Portuguese (certified translation).

<sup>[1]</sup>The list of signatory countries may be accessed in <http://www.cnj.jus.br/poder-judiciario/relacoesinternacionais/convencao-da-apostila-da-haia/paises-signatarios>

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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