

# EXTENSION OF TEMPORARY REDUCTION OF THE **IOF-CREDIT** RATE TO ZERO

Decree 10,414/2020 extends the 0% rate of IOF-Credit levied on credit transactions until **October 2nd, 2020**



The reduction to zero previously provided by Decree 10,305/2020 applied to credit transactions between April 3rd and July 3rd, 2020 (90 days)

[Click here for more information](#)



Additionally, Decree 10,414/2020 also clarifies the application of the 0% rate to transactions subject to the calculation of IOF-Credit on the sum of the daily balance of debts (such as in the case of operations with undetermined value), establishing that the 0% rate applies to the daily balance of debts ascertained between April 3rd and October 2nd, 2020



IOF-Credit is levied on credit transactions between legal entities and between legal entities and individuals, including loans granted by non-financial legal entities



Reduction applies to the daily rate of 0.0041% for legal entities and 0.0082% for individuals and to the additional rate of 0.38%



As already provided by Decree 10,305/2020, the 0% rate also applies to the extension, renewal, novation, composition, consolidation, debt confession and similar transactions involving credit transactions and to transactions not liquidated within the maturity date



**The measure can be an opportunity to obtain and renegotiate loans**

**For more information, please contact:**

**Ana Lucia Marra** - alm@machadoassociados.com.br

**Nathália Fraga** - nmf@machadoassociados.com.br