

## Brazil



### Customs Controls to Curb Red Tape

Although Brazil is commonly known for its bureaucratic proceedings, it should be noted that in the customs and tax areas it has developed state-of-the-art controls which ensure compliance with legal regulations and speed up processes, making transactions fast and transparent.

For customs purposes, since 1997 all transactions are registered in the Integrated Foreign Trade System (SISCOMEX), which is a digital system developed to record and process imports and exports, eliminating the use of paper forms and stamps.

The SISCOMEX is mandatory for every import or export, being accessible to the Brazilian importers and exporters, and also to customs and tax authorities, the Brazilian Central Bank (for foreign currency exchange controls), among other authorities. In this system, transactions are registered by the importer/exporter, enabling the request for relevant licences, customs and tax audits, and tax payments, among other features.

The SISCOMEX has been consistently improved since its creation, becoming more digital and integrated with other tax and regulatory systems.

2017 saw Brazil set up new export and import regulations to rationalise procedures and eliminate redundancies, by instituting the Single Export Declaration ("*DU-E*"), and the Single Import Declaration ("*DU-IMP*"), which have been gradually implemented. Such controls allow stakeholders to provide information about their transactions in a centralised manner to all government agencies, avoiding multiple requests and wasting time and money.

DU-E and DU-IMP are connected with the Brazilian electronic invoicing and tax book-keeping, which enables faster and safer transaction registry, precise tax controls, and transparency.

Furthermore, Brazil has taken several measures to reduce the bureaucracy that companies usually face when engaging in international trade, such as:

- in 2015, it joined the World Customs Organization (WCO) Authorized Economic Operator programme, which grants benefits to registered stakeholders with regard to the facilitation of customs procedures, in Brazil or abroad, such as the priority analysis of the transactions, reduced time for formal inquiry answers, the reduction of thorough customs inspections, among others;
- in 2016, it addressed the use of the ATA carnet (Istanbul Convention, 1990), which allows for much faster temporary admissions and exports based on a standardised document globally recognised; and
- the Convention Abolishing the Requirement of Legalization for Foreign Public Documents ("*Apostille Convention*", The Hague, 1961) was introduced in 2016. These measures can simplify some procedures related to the import of goods subject to previous licensing.

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As a result, according to the World Bank's ranking *Doing Business 2015*, 61 hours for exports and 51.1 hours for imports were required for border compliance in Brazil. In the 2020 edition of the ranking, those figures fell to 49 hours for exports and 30 for imports (source: <https://www.doingbusiness.org>).

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Although there is room to evolve, especially regarding the relationship between customs/tax authorities and importer/exporters, it is evident that Brazil has been making substantial efforts to optimise its customs controls, to reduce red tape, and to make international trade faster and more transparent.