



# Brazil:

Legal risks of trade  
and investments in Brazil.  
How to cover them?

KINSTELLAR



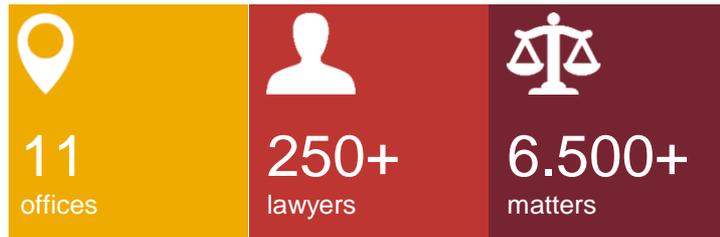
# Kinstellar

## Introduction

Kinstellar is a leading independent law firm in Emerging Europe, Turkey and Central Asia, with offices in **Almaty** and **Astana** (Kazakhstan), **Belgrade** (Serbia)\*, **Bratislava** (Slovakia), **Bucharest** (Romania), **Budapest** (Hungary), **Istanbul** (Turkey), **Kyiv** (Ukraine), **Prague** (the Czech Republic), **Sofia** (Bulgaria) and **Tashkent** (Uzbekistan).

Operating as a single fully integrated firm, Kinstellar delivers consistently high quality services across all jurisdictions in an integrated and seamless style. We are particularly well suited to servicing complex transactions and advisory requirements spanning several jurisdictions.

### Our key highlights:



# Real Depth

The range and breadth of our specialist practices and sectors set us apart in Emerging Europe and Central Asia.

## Sectors:

Aviation	Asset Solutions	Automotive & Industrials
Banks & Financial Institutions	Energy & Natural Resources	Infrastructure
Life Sciences & Healthcare	Private Equity	Real Estate
Technology, Media & Telecomms		

## Practices:

Banking, Finance & Capital Markets	Competition & State Aid	Compliance, Risk & Sensitive Investigations
Dispute Resolution	Employment & Labour Law	Energy & Natural Resources
Infrastructure & Projects	Intellectual Property	M&A & Corporate
NPLs & Distressed Assets	Real Estate, Construction & Planning	Restructuring & Insolvency
Tax	Technology, Media & Telecomms	White-Collar Crime

## Out of Area

But certainly not out of our depth. Quite the contrary.

We have experience in **close teamwork with legal counsel in jurisdictions where we do not have our own office**. Kinstellar Prague would be your **single point of contact** in order to ensure the unified approach.

In **Brazil** we use to work closely with **Demarest**, one of the Brazil's largest law firms.

## DEMAREST

Demarest, with a practice spanning more than 70 years, is one of the most respected law firms in Brazil and Latin America. Demarest has been advising international and local organisations on all business law and tax issues.

Demarest is consistently rank among Brazil's leading law firms in a wide variety of publications, including Chambers, Thomson Reuters, Latin Lawyer, The Legal 500 and IFLR.

# Running a Business in Brazil

- International Treaties
- Investment
- Enforcement of Decisions / Judicial Cooperation / Arbitration
- Verification of Documents / Apostille
- Most Common Types of Entities
- Establishing a company
- Restrictions on foreigners owning shares / real estate
- IP protection



# International Treaties



## Business and trade

- Marrakesh Agreement establishing the World Trade Organisation
- The Global System of Trade Preferences among Developing Countries (GSTP)
- Panama Convention establishing the Latin American Economic System (SELA)
- Convention establishing Multilateral Investment Guarantee Agency (MIGA)
- Treaty establishing a Common Market between the Argentine Republic, the Federal Republic of Brazil, the Republic of Paraguay and the Eastern Republic of Uruguay (SICE)

## Transport and logistic

- Convention for the Unification of Certain Rules for International Carriage by Air
- Member state of ICAO (International Civil Aviation Organization) - International Air Services Transit Agreement
- United Nations Convention on the Law of the Sea

# International Treaties



## Energy

- The Quadripartite Agreement between Argentina, Brazil, ABACC, and the International Atomic Energy Agency

## IP

- Paris Convention for the Protection of Industrial Property (WIPO)
- Patent Cooperation Treaty
- Inter-American Convention on the Rights of the Author in Literary, Scientific and Artistic Works

# International Treaties

## Finance

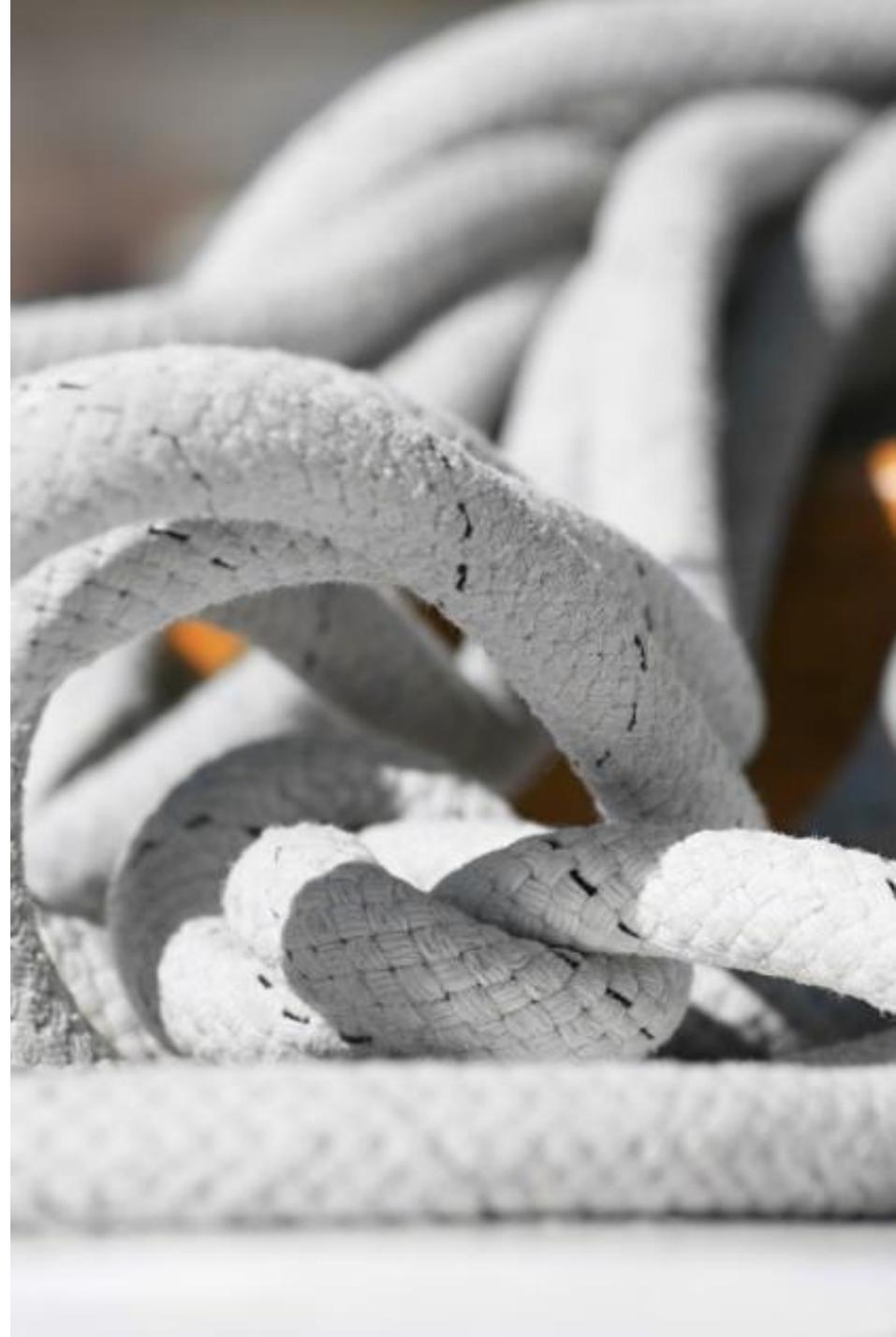
- Convention between the CSSR and Brazil for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (1986, **bilateral**)
- Mercado Común del Sur (MERCOSUR)
- Agreement of the International Monetary Fund (IMF)
- International Organization of Securities Commissions (IOSCO)
- Member state of the IBRD, IFC (recipient of funds)

## Terrorism and Corruption

- UN International Convention for the Suppression of the Financing of Terrorism
- UN Convention against Corruption

# BITs

- Agreement between the Czech Republic and the Federal Republic of Brazil on cooperation in defense matters (2010)
- Memorandum of understanding between agencies on promotion of investments of Czechinvest and APEX (2009)
- Agreement on Economic and Industrial Cooperation
- Agreement between the Government of the Czech Republic and the Government of the Federative Republic of Brazil on partial visa abolition



# Investment

- No significant barriers to international trade or foreign investment in Brazil
- Member of the MERCOSUR
- There are exchange controls, however an approval is not required for foreign investment or capital importation in most business areas.
- Rich biodiversity



# Enforcement of Decisions / Judicial Cooperation

No bilateral agreement in place

## Enforcement of Decisions

- **Judgments in civil matters** – ensured (both – recognition and enforcement)
- **Judgments in criminal matters** – recognition and extradition are ensured
- **Arbitral awards**
  - Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958)

## Judicial Cooperation

- Convention of 15 November 1965 on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters (2019)

# Verification of Documents / Apostille

Norway is a party to the Hague Convention on Apostilles

No bilateral agreement in place

Verification of **Brazilian documents** for use in the Czech Republic

- Ministry of Foreign Affairs

Verification of **Czech documents** for use in Brazil

- Ministry of Foreign Affairs of the Czech Republic (documents issued by administration)
- Ministry of Justice of the Czech Republic (documents issued by judicial authority or notary)



# Most Common Types of Entities

- **Limited Liability Companies (LLC)**
- **Corporations (SA)**
- partnership (*sociedade simples*)
- EIRELI (*Empresa Individual de Responsabilidade Limitada*)
- Joint Venture Partnership (*Sociedades em Conta de Participação*)
- Limited Partnerships (*Sociedade em Comandita*)
- General Partnerships (*Sociedade em Nome Coletivo*)
- Private-Public Partnerships

# Establishing a Company

## Limited Liability Company (LLC)

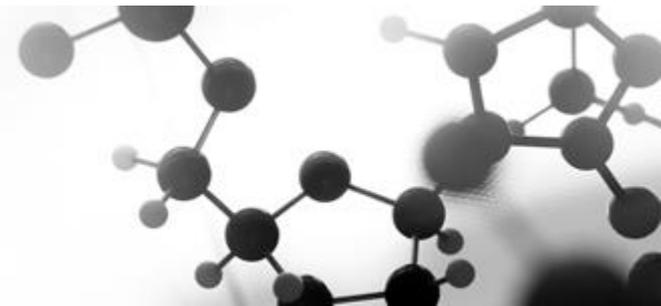
- How to incorporate:
  - 1 director is sufficient
  - Articles of Association (A&A)
  - Simple constitution

## Empresa Individual de Responsabilidade Limitada(EIRELI)

- Any company registered abroad
- Must have a designated contact person with Norwegian national ID or d-number.

## Corporations (SA)

- How to incorporate:
  - Minimum of 2 directors
  - bylaws
  - Simple constitution (approx. 5 days)
  - Adopt accounting system



# Restrictions on foreigners owning shares / real estate

## SHARES

- Foreign ownership of local companies is generally permitted except in sectors considered to be of strategic importance.
- Exchange controls are in place.

## REAL ESTATE

- There are no legal restrictions on the ownership of real estate by non-residential persons in this jurisdiction.



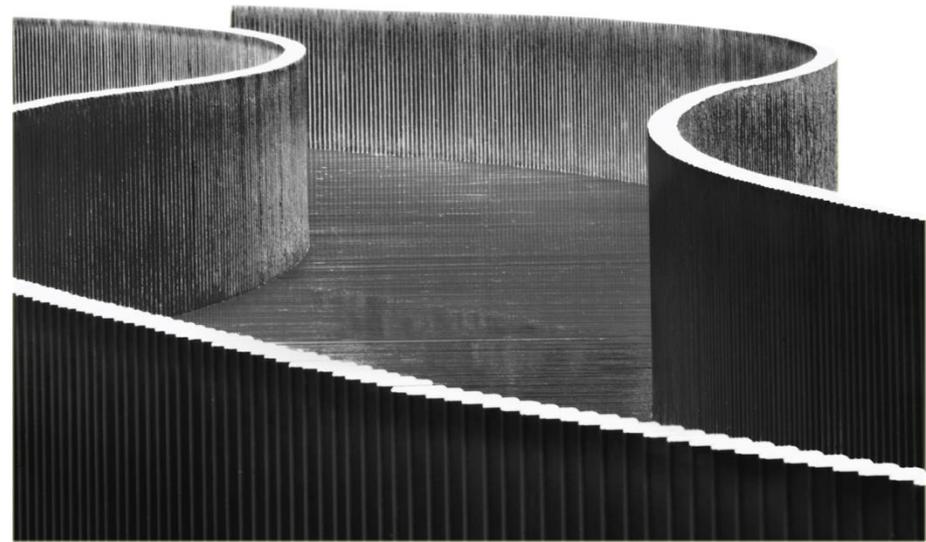
# IP protection

Brazil benefits from a regime reflecting state of the art developments in intellectual property policy domestically and at international level and has committed to international obligations, all of which results in a robust framework for business.

Principal areas are:

- Patents
- Trade marks
- Designs
- Copyright

Protected by federal law driven by incorporated WIPO legislation and other international provisions.



# Questions?



# Thank You!



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We would be pleased to provide you with any further information about any of our offices, lawyers, practice areas or expertise (as well as our fees policy) which you might require. Should you have any questions, all contact information is available on: [www.kinstellar.com](http://www.kinstellar.com)

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