



Brazil's VAT Reform

May 28, 2024 | Edition No. 32

PLP No. 68: Regulation of Constitutional Amendment No. 132

VAT Reform: it's time to evaluate impacts and extract value

The Constitutional Amendment (EC) No. 132/2023, which establishes the VAT Reform ([see Tax Intelligence \(TI\) No. 26](#)), has set a deadline of 180 days for the Executive Branch to submit to the National Congress bills to regulate its terms.

To meet the deadline, the Executive Branch submitted Complementary Bill (PLP) No. 68/2024 to the House of Representatives. This bill defines the new taxes established by Constitutional Amendment (EC) No. 132/2023 (IBS CBS and IS), outlines the mechanisms for credit and refund of IBS and CBS, regulates the transition period, and institutes special regimes along with other critical aspects of the Tax Reform. In addition to the Executive Branch's PLP, approximately 20 PLPs prepared by parliament members have been presented in the House so far, aiming to regulate EC No. 132. These projects are expected to be analyzed together with PLP No. 68/2024.

The “operationalization” of the Reform through its regulation is not completed solely by the proposed PLPs; others are still needed. It will also depend on new ordinary federal, state, and municipal laws as required, including the definition of the rates (the Government's economic team currently estimates an average rate of 26.5%, not exceeding 27.3%). This new legal framework—including new decrees or “regulations,” normative instructions, and interpretative acts — represents the set of measures necessary for the complete regulation of the VAT Reform.

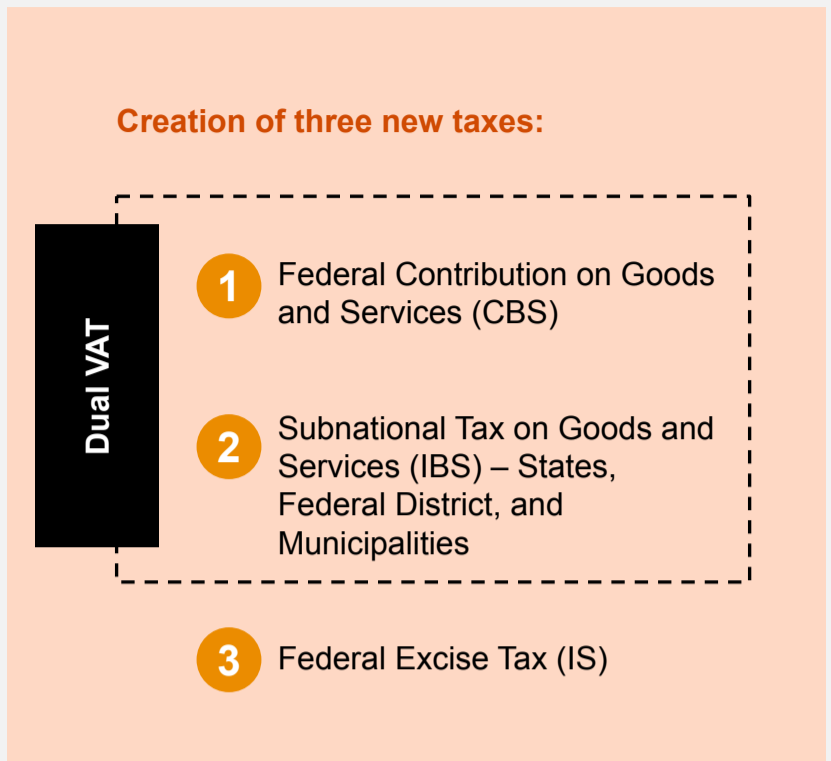
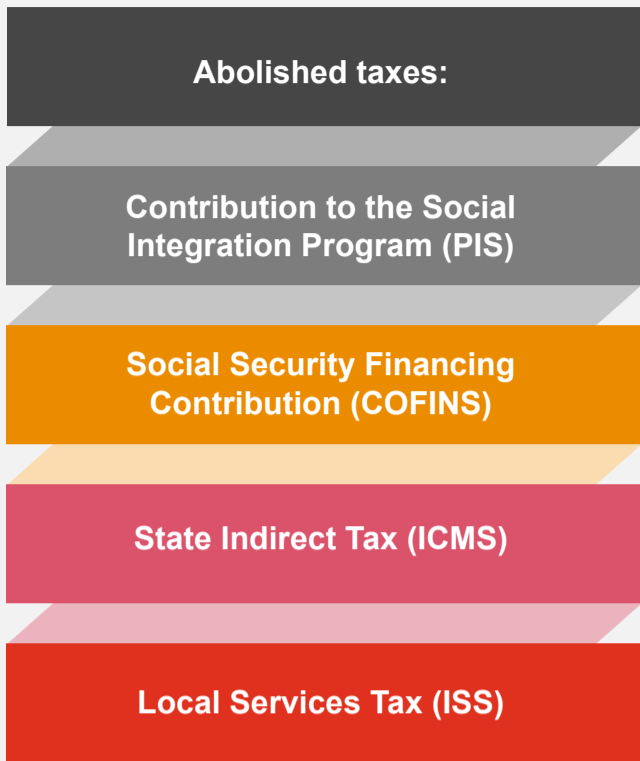
In its 356 pages (229 of legal text with 499 articles, 85 pages of annexes and tables, and 40 of the Executive Branch Message), PLP No. 68/2024 is structured into three books: Book I, with the foundations of the new system and the general rules of IBS and CBS (Titles I-IX arts. 1-392); Book II, instituting the Excise Tax (IS) (Titles I-IV arts. 393-423) and its peculiar characteristics; and Book III, addressing other provisions (arts. 424-499), including the Manaus Free Trade Zone (ZFM) and the five-year evaluation of Complementary Law provisions.

We present in the following pages a summary of the main content of PLP No. 68/2024.



Recap of the main changes of EC No. 132

Abolition of four taxes and regarding IPI (Tax on Industrialized Products) a special rule will be applied, benefiting products manufactured in Manaus Free Trade Zone.



New state contribution: States are authorized to establish contributions on primary and semi-finished products for investment in infrastructure and housing projects. This latest contribution will replace the current contributions to state funds which were valid on April 30, 2023, established as a condition to be met for applying deferral, special regime, or other differentiated treatment related to ICMS. The new contribution's rate and calculation base cannot exceed those of the replaced contributions and will be abolished on December 31, 2043.

Transition period provided in the EC: coexistence of both tax systems, with old and new taxes collected in parallel

- The IBS will be charged at a state rate of 0.05% and a municipal rate of 0.05%, and the CBS will be reduced by 0.1%.

- Full adoption of the new consumption tax system.



- “Test phase” of the system, in which the IBS will have a rate of 0.1% and the CBS of 0.9%, with deduction of amounts due for PIS/Cofins.

- Start of CBS collection at its full rate and abolition of PIS/Cofins.
- Reduction of IPI rates to zero as a general rule.
- Start of IS collection.

- ICMS and ISS rates will be gradually reduced.
- ICMS and ISS benefits or incentives will be reduced in the same proportions as the rate reductions of these taxes until 2032, the last year of their existence.





Broad incidence

- Chargeable operations with material and immaterial goods, including rights and services arising from any act or legal business; and
- Non-chargeable operations with goods or services expressly regulated in the PLP (see page 5).



Non-incidence

- Provision of services by an individual (PF) in an employment relationship or acting as administrator;
- Transfer of assets between establishments of the same taxpayer;
- Transfer of corporate participation, including alienation;
- Transfer of assets due to merger, split, and incorporation and capital integration and return;
- Financial income and operations with securities, except as provided in the specific financial services regime.



Calculation base

Value of the operation, which includes the total amount charged by the supplier for any reason, except:

- IBS, CBS, and IPI applicable to the operation;
- unconditional discounts;
- reimbursements or refunds received for amounts paid for operations on behalf and order or in the name of third parties; and
- during the transition, amounts applicable to ICMS, ISS, PIS/Cofins, and PIS/Cofins-Import.

Market value of goods or services in cases of:

- lack of operation value;
- operation without a determined value;
- operation value not represented in money; and
- operation between related parties.



Tax liable party

The **taxpayer** is:

- the **supplier** who performs operations:
 - in the development of economic activity;
 - habitually or in a volume characterizing economic activity, or
 - professionally, even if the profession is not regulated;
- those expressly provided in the PLP.

Responsibility assigned to digital platforms like marketplaces, even if domiciled abroad, among other cases.



Moment of triggering the taxable event

Operations with goods or services: generally, upon supply or payment, whichever occurs first.



Operation location

Considering the destination-based taxation directive, as a rule, with specific exceptions as outlined in the PLP, the location of the operation is deemed to be:

- with movable material goods: place of delivery or availability of the goods to the recipient;
- with real estate, related movable material goods, and services provided on real estate: place where the property is located;
- for services provided physically on a natural person or enjoyed in person by a natural person: place of service provision; and
- for other services and other movable immaterial goods, including rights: the primary domicile of the recipient.



Cashback

Cashback system to reduce income inequalities with the following minimum thresholds for families with a per capita income of up to half the minimum wage:

- Cooking gas: 100% for CBS and 20% for IBS;
- Electricity, water, sewage, and natural gas: 50% for CBS and 20% for IBS; and
- Other cases (except goods subject to IS): 20% for CBS and IBS.



Export exemption and **import** taxation regardless of taxpayer location.

IBS and CBS in PLP No. 68

Taxation framework

Tax rates (yet to be defined)



Standard rate for all goods and services, with PLP-regulated exceptions provided in the EC that reduce it by 30%, 60%, or 100%—education services, health, basic food basket, among others—and specific regimes.



Reference ceilings for the tax burden based on the average collection revenue in relation to GDP over a ten-year period (2012 to 2021), for the respective taxes.



The latest estimates from the Ministry of Finance indicate that the general Dual VAT rate should range between 25.9% and 27.5%.



Each federative entity may set its IBS/CBS rate through a specific law, possibly linking it to the reference rate provided in the Senate resolution through a defined percentage **increase** or **decrease**.

For IBS, it is possible to charge a rate lower than the standard one, but a limit for this reduction must be observed.



IBS and CBS in PLP No. 68

Non-cumulative VAT Framework



Non-cumulative taxation conditioned on payment of taxes at the previous stage.

Broad crediting, except for the acquisition of the following goods and services (exhaustive list) considered for personal use and consumption, except when necessary for the taxpayer's operations:

- Jewelry, precious stones, and metals;
- Works of art and antiques of historical or archaeological value;
- Alcoholic beverages;
- Tobacco products;
- Weapons and ammunition; and
- Recreational, sports, and aesthetic goods and services.

Exemption and immunity

- result in the cancellation of the credit for previous operations by the beneficiary taxpayer; and
- Will not result in credit for compensation with the amount due in subsequent operations.

Zero rate

- Guaranteed credit maintenance for previous operations by the beneficiary taxpayer;
- Will not result in credit for compensation with the amount due in subsequent operations.

Exports

With unrestricted credit maintenance.

Prohibited transfer of credits for any reason to another taxpayer, except in cases of merger, split, or incorporation.



Refund of IBS/CBS credit balances

The IBS and CBS taxpayer with a credit balance at the end of the assessment period may request a full or partial refund.

Deadlines for reviewing the refund request

- Up to 60 days:
 - IBS and CBS related to the acquisition of goods and services incorporated into fixed assets;
 - Refund requests when amount is equal to or less than 150% of the monthly average value (last 24 months) of the difference between the IBS and CBS credits appropriated by the taxpayer and the debits on their operations.
- Up to 270 days in other cases.

In the absence of a response regarding the refund request within the above deadlines, the credit will be refunded to the taxpayer within 15 days.

Adjustment by the Selic Rate (official government index) from the 76th day after the end of the respective assessment period until the day before the refund.



Non-chargeable supply of goods and services for personal use and consumption

Incidence of IBS and CBS also, among other cases, on non-chargeable or below-market value supply of goods and services for personal use and consumption:

- (i) by the taxpayer when this is an individual;
- (ii) by individuals who are business partners, shareholders, administrators, and members of the taxpayer's board of directors, supervisory board and advisory committees provided by law when the taxpayer is not an individual;
- (iii) by the taxpayer's employees in items "(i)" and "(ii)";
- (iv) by spouses, partners, or consanguineous or related relatives up to the third degree of the individuals mentioned in items "(i)", "(ii)" e "(iii)".

The PLP cites **as examples** some goods and services considered for personal use and consumption unless employed exclusively in the taxpayer's economic activity: (i) providing property for housing and maintenance expenses; (ii) providing a vehicle and related maintenance, insurance, and fuel expenses; (iii) providing communication equipment; (iv) communication service; (v) health plan; (vi) education; (vii) food and beverages; and (viii) insurance.

IBS and CBS in PLP No. 68

Taxation framework—Assessment and payment



The monthly assessment period may be reduced by regulation.

Centralized calculation and payment, consolidating operations performed by all taxpayer's branches.



The PLP provides various payment possibilities:

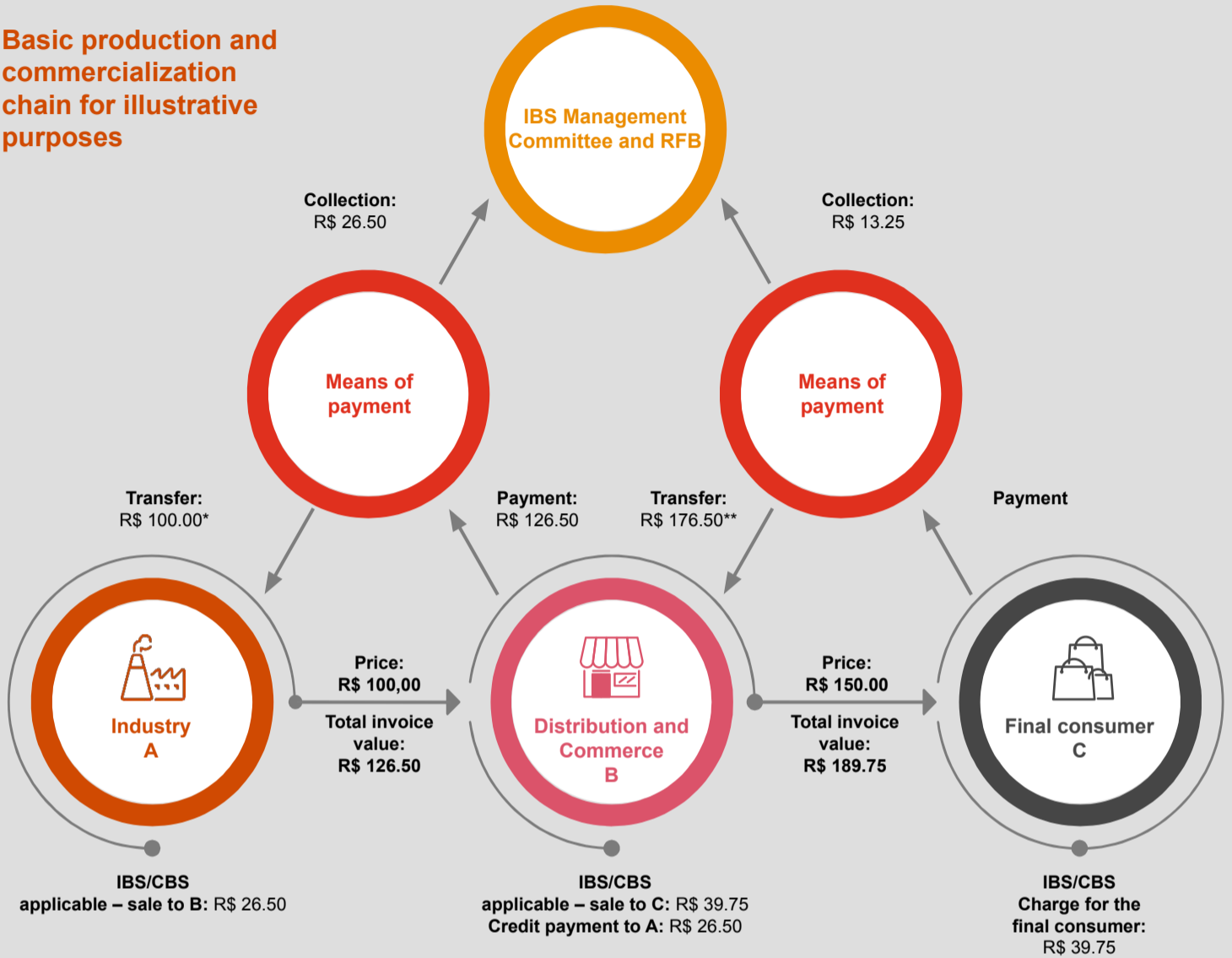
- Compensation with credits appropriated by the taxpayer;
- Payment by the taxpayer;
- Collection in the financial settlement of the operation by payment service providers via electronic payment instrument (split payment);
- Collection by the purchaser using a payment instrument that does not allow collection by split payment, such as non-electronic payment methods like check or cash; or
- Collection by the responsible party.



Split payment

As disclosed by the Extraordinary Secretariat of Tax Reform, the intention is that, with the exclusive adoption of electronic tax documentation for the new taxes, the purchaser's utilization of the respective credit will be conditioned on the actual payment of the tax in the previous stage, and that the assessment and payment method will be through split payment as a rule.

Basic production and commercialization chain for illustrative purposes



* For illustrative purposes, we assumed there would be no credits from previous operations.

** Ideal situation assuming that both hypotheses of §§ 5 and 6 of article 51 of the PLP will be implemented. Otherwise, the transfer by means of payment to B would be R\$ 150.00, with the IBS Management Committee and the RFB subsequently managing the R\$ 26.50 credit, observing the provisions of §11 of the same article.

The simulation considers the average rate of 26.5% projected by the Federal Government (though yet to be legally enacted). It assumes all chain operations and respective settlements occurred within the same assessment period.



Additional comments:

The adoption of split payment as the general rule for tax assessment and payment will also depend on the existence of a single digital payment system that ensures its effectiveness nationally. Once such a system is established, the assessment and payment of taxes will occur through a mixed regime of accrual and cash basis. This is because tax credits will be conditioned on payment of the monthly assessment period and the settlement of commercial transactions via split payment, respectively. This can be referred to as a "current account" of credits and debits among taxpayers on a national scale.

The amount collected by split payment when exceeding the IBS/CBS payment:

- will be used to offset the previous period's IBS/CBS debit balance and unpaid debts in the current assessment period; and
- will be transferred to the taxpayer **within three business days**, if there are no pending operations on the payment date.

Fiscal incentives and favorable tax regimes in PLP No. 68



Small Taxpayers' System

The taxpayer under “Simples” may irrevocably choose, for the entire calendar year, between the two taxation regimes for IBS/CBS:

- Single, without allowing IBS and CBS credits and with the right to credit in the next stage of the chain by the purchaser, in the same amount as the charged value;
- General non-cumulative regime.



Automotive sector

Presumed CBS credit granted to industries in the North, Northeast, and Center-West regions and Sudene and Sudam operating areas, under certain conditions, to encourage:

- the production of electric or hybrid vehicles with a combustion engine that uses biofuels either isolated or simultaneously with petroleum-derived fuels;
- the production of vehicles powered by an internal combustion engine that uses biofuels either isolated or cumulatively with petroleum-derived fuels.



Manaus Free Trade Zone (ZFM) and Free Trade Areas (ALC)

The PLP lists several cases where suspension of incidence, zero rate reduction, and granting of presumed IBS/CBS credits may apply.

From January 1, 2027, **reduction to zero IPI rates** related to products manufactured in the ZFM in 2023 and subject to a rate below 6.5% in the Industrialized Products Tax Table (TIPI) in effect on December 31, 2023 (a list will be released). Exception: information and communication technology goods.

From January 1, 2027, IPI rates for goods which are not effectively manufactured in the ZFM in 2023 will be reduced to zero (a list will be released).



Low carbon emission biofuels and hydrogen

Guarantee of competitive differential in setting specific rates per unit of measure to ensure lower taxation than that on fossil fuels.



Special customs regimes, Export Processing Zones (ZPE) and capital goods regimes – suspension of IBS/CBS payment:

As a general rule, suspension of IBS and CBS payment.



Specific tax regimes in PLP No. 68

- **Fuel (monophasic):** applicable to operations involving all currently existing fuels, as well as others to be defined and authorized by the National Agency of Petroleum, Natural Gas, and Biofuels (ANP), but not lubricants provided for in EC No. 132. The calculation base will be the quantity of fuel in the operation, and the rates, adjusted annually, will be uniform throughout the national territory, specific per unit of measure, and differentiated by product. Appropriation of credits for acquisitions intended for distribution, commercialization, or resale is prohibited. However, the right to appropriate and use IBS and CBS credits in other operations (such as use as an input in the production process) is guaranteed. Similarly, the exporter is guaranteed the right to appropriate and use credits.
- **Financial services:** the calculation base will be the service revenue with some deductions. From 2027 to 2033, as a rule, rates will be set to maintain the tax burden on financial institutions' credit operations. Appropriation of IBS and CBS credits for acquiring the following financial services is prohibited: financial intermediation operations through capital raising and transfer; exchange operations; operations with securities and financial derivative instruments, including acquisition, negotiation, settlement, custody, brokerage, distribution, and other forms of intermediation, as well as investment advisor activity; securitization operations; factoring operations; asset management and administration provided to the investor and not to the investment fund, such as managed portfolio management and supplementary and capitalization pension plans; supplementary and capitalization pension plans and virtual assets.
- **Real estate transactions:** applicable to real estate sales, including those resulting from real estate development and land subdivision; onerous acts transferring or constituting real rights on real estate; real estate leasing and rental; and real estate administration and brokerage services. The calculation base is the transaction value, and rates are reduced by 20%.
- **Health plans:** the calculation base will be the service revenue with some deductions. The nationally uniform rate will correspond to the reference rates of each federative entity reduced by 60%. **IBS and CBS credits for purchasers are prohibited.**

The PLP also provides for rules for the following specific regimes: lotteries; cooperatives; bars, restaurants; hotel services; amusement and theme parks; collective passenger transport; travel and tourism agencies; Soccer Society (Sociedade Anônima do Futebol—SAF); and operations covered by international treaties or conventions, including those related to diplomatic missions, consular offices, international organization representations, and accredited staff.



Excise Tax (IS) in PLP No. 68

Taxation framework



Incidence

On production, extraction, commercialization, or import of goods harmful to health or the environment (excluding services). **Not subject to non-cumulative taxation and will be triggered only once over the good.**

A PLP exhaustive list with NCM specifications and incidence on:

- vehicles;
- vessels and aircraft;
- smoking products such as cigars and cigarettes;
- alcoholic beverages;
- sugary beverages; and
- extracted mineral goods such as iron ore, oil, and natural gas.



Tax rates

Will be provided for in ordinary law.

Vehicles

Rates may be **reduced or increased** for each vehicle according to sustainability (ESG) criteria and technology use in the same way as the recently created the Mover Program, addressed in our [II No. 31](#).

Other products

Rates may be specific (annually adjustable by IPCA) per unit of measure or *ad valorem* with the possibility of cumulating more than one hypothesis, depending on the good.

Operations with extracted mineral goods will respect the constitutional maximum percentage of 1%.

Zero rate for natural gas intended for use as an input in the industrial process.



Non-incidence

Immunities

- Exports, including supplying goods with the specific purpose of export to a commercial export company, except for extracted or produced mineral goods (already exempted by EC); and
- Operations with electricity and telecommunications.

Non-incidence

- Goods and services with a 60% reduction in the standard IBS/CBS rate (does not mention other percentages); and
- Public collective passenger transport services by road and subway, of urban, semi-urban, and metropolitan nature.

The EC provides that it will not be cumulative with IPI.



Tax liable party

Taxpayer

- Manufacturer
- Importer
- Auction winner
- Extractive producer

Responsibility assigned as a rule to the owner, possessor, transporter, or any other holder of national products from the manufacturer with export immunity, among other cases.



Calculation base

- Value of sale;
- Auction value;
- Reference value in the non-onerous transaction or consumption of the good;
- Book value of incorporation of the good into fixed assets;
- That expressed in the appropriate unit of measure in cases where specific rates are provided.

The following are **not** included in the calculation base:

- ICMS (transition), IBS, CBS, and IS itself applicable to the operation;
- Unconditional discounts.



Assessment

In principle, monthly, but the frequency may be reduced by regulation. Centralized, consolidating operations performed by all taxpayer entities.



Regulation

Will be issued by the head of the Union Executive Branch.



Moment of triggering the taxable event

- First commercialization of the good;
- Auction winning bid;
- Non-onerous transfer of extracted or produced mineral goods;
- Incorporation of the good into fixed assets;
- Export of extracted or produced mineral goods; or
- Consumption of the good by the extractive producer or manufacturer.

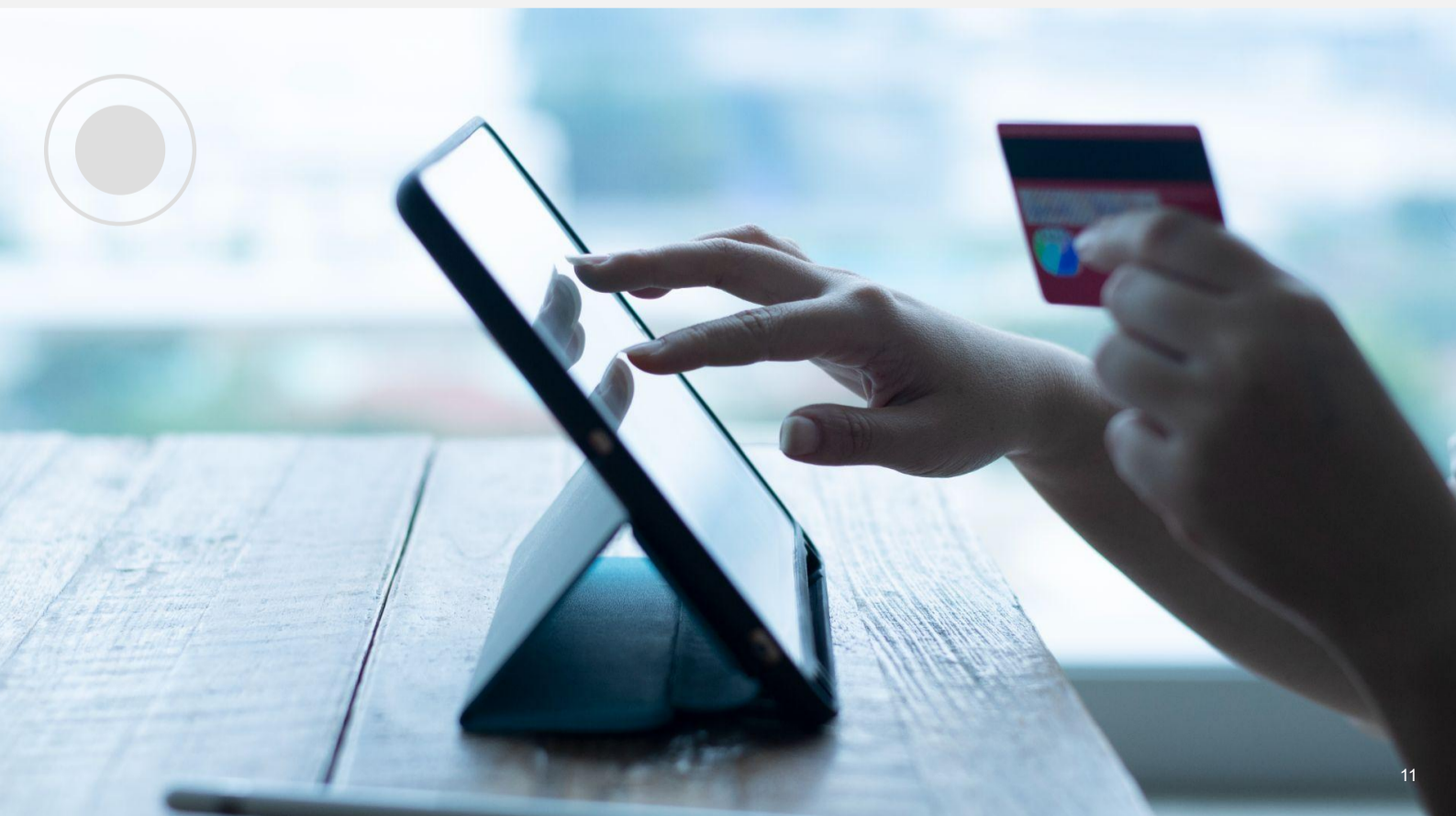
ICMS Fiscal or Financial-Fiscal Benefit Compensation Fund

EC No. 132 provides that:

- A Compensation Fund for ICMS Fiscal or Financial-Fiscal Benefits will be established to compensate individuals and legal entities benefiting from ICMS exemptions, incentives, and fiscal or financial-fiscal benefits granted for a fixed term and under conditions, considering the impacts of the reduction of these benefits until December 31, 2032;
- Applies to holders of burdensome ICMS benefits regularly granted until May 31, 2023, including extensions or renewals and those that, due to state legislative changes, have migrated to other programs or benefits between May 31, 2023, and the date of the Constitutional Amendment (EC) or are in the migration process on the date of EC promulgation;
- Criteria must be established in Complementary Law.

Provisions of PLP No. 68:

- Compensation will be done by **payment**.
- Establishes a series of concepts, including:
 - **Condition:** the counterparties provided for in the **granting act** or set by **law**, required from the benefit holder and that impose additional burdens or restrictions on their activity, except for the requirement of contribution to a state or district fund linked to the benefit's enjoyment.
Examples of counterparties are cited as follows:
 - aimed at implementing or expanding an economic enterprise linked to transformation or industrialization processes capable of adding value;
 - establishing new job creation; or
 - imposing a sales price limitation or restriction on contracting certain suppliers.
 - **Economic impact:** presumed and granted ICMS credits, discount granted on ICMS to be collected due to early tax payment, ICMS to be collected multiplied by the Selic Rate of the reference month in the case of extended ICMS payment benefit.
- Used the same concepts of implementing and expanding economic enterprise from Law No. 14.789/2023 (which deals with subsidies).
- **Established the compensation eligibility procedure and its conditions, setting deadlines for credit recognition of up to 90 days after the fiscal bookkeeping submission containing its demonstration and 60 days for resource delivery to the beneficiary with Selic interest application in case of late payment.**



Treatment of accumulated credit balances of abolished taxes in PLP No. 68

ICMS

The EC provides for the use of existing credit balances at the end of 2032. These balances must have been approved by the respective federative entities, under the complementary law terms, through compensation with IBS:

- For the remaining period of the current regime for credits related to the entry of goods intended for fixed assets;
- In 240 equal and successive monthly installments in other cases; and
- Adjusted by IPCA from 2033.

PLP No. 68, however, does not address the topic, which should come in (an)other PLP(s) to be presented by the Executive in the future.

PIS/COFINS

PIS and COFINS credits, including presumed credits not appropriated or used until the date of these contributions' extinction:

- will remain valid and usable, maintaining the deadline for their use;
- must be appropriately recorded in the PIS and COFINS bookkeeping environment;
- may be used for compensation with CBS amounts; and
- may be refunded in cash or compensated with other federal taxes, subject to the additional requirements set out in the PLP.





Takeaways

PLP 68/2024 is, in general terms, consistent with the VAT Reform regulation under EC No. 132. Regarding IBS and CBS, the design continues to represent undeniable progress compared to the current tax system. However, the PLP brings or confirms points of concern.

The first point of concern is the Excise Tax (IS), which stands out for its unprecedented international reach. It will be applied to the extractive sector and vehicles, marking a significant shift from its previous role as a mere extra fiscal policy. Despite the government's assurance that the tax is regulatory in nature, its potential revenue generation cannot be overlooked. The projected revenue from this tax, which could influence the determination of the average combined IBS and CBS rate of 26.5%, is expected to cover the total amount collected of IPI applied across the entire industry.

Furthermore, the IS is included in the calculation bases for IBS and CBS, increasing these taxes within their respective supply chains. Consequently, the proposed IS requires careful analysis by the Legislature due to its unique scope and impact on these chains. It is essential to highlight the regressive nature of the tax burden on combustion vehicles and the extractive sector, which supplies inputs to the entire national industry. Additionally, consideration should be given to whether the new IS on the extractive industry could result in double taxation regarding the CFEM (Financial Compensation for Mineral Resource Exploitation). The Legislature should pragmatically review this potential issue within the context of the new consumption tax system.

Another point of concern is conditioning the purchaser's credits on the actual fulfillment of tax obligations by the supplier. In practice, the possibility of this condition working comprehensively and effectively, as intended by the Executive, depends on the new digital tax books and the necessary technology enabling split payment. However, taxpayers are not confident that this condition will not bring negative impacts to their businesses. Thus, the general rule, in principle, is that until there is reasonable clarity over these aspects, there should be full recoverability for all purchasers according to the global VAT standard, with restitution set at up to 60 days or less. Obviously, if split payment is implemented with the overcoming of the above elements, restitution could be faster, even instantaneous.

Providing a 60-day analysis and restitution period for credit balances of taxes for taxpayers with recurring credit accumulation is a good measure that should be extended to all taxpayers beyond those who ensure or prove the payment of their suppliers' taxes. However, the establishment of the (even "maximum") period of 270 days for those with extraordinary accumulation creates a systemic barrier that punishes the good taxpayer (for fear of historical "frauds" that the Government itself recognizes tend to decrease with the new and more advanced system) and would not be advisable. In such cases, an audit inspection would be the correct solution.

Reviewing this PLP proposition to align with global VAT best practices would be advisable. Specifically, it should provide a maximum refund period of 60 days for all taxpayers, with Selic correction aligned with the tax collection periods. The proposed 270-day rule should be eliminated, and the Tax Administration should be required to audit higher-risk taxpayers rather than all taxpayers who accumulate unexpected credits.

What should be the focus of companies at this moment?

As we have stated, the impact of the new tax system on each business will vary by business segment and the location of each link in the company's production chain. With PLP No. 68/2024, visibility into these impacts increases, and the precision of projections during and beyond the transition period improves. The analysis must be comprehensive, primarily economic, and extend beyond static tax calculations or given scenarios. It requires a greater strategic vision to consider both strategic and operational repositioning, taking into account various elements such as:

- The gradual loss of tax incentives versus gains in logistical and operational efficiency from relocating operations;
- Perspectives on changes in sales prices, taking into account demand elasticity or changes in supply costs, considering impacts on the margins of suppliers or clients in B2B chains;
- Reduction in investment (working capital) in multi-location stocks;
- Reduction in freight transport costs and flows;
- Synergy gains from integrating operations and reducing legal entities within the same economic group.

It is essential to anticipate the macro and microeconomic impacts by segment and market of operation, considering changes in the competitive environment and new entrants, the impact of new effective rates on consumer demand, and other factors that can significantly affect the volume and return on investments. The strategic analysis that began in 2023 with the processing of PEC No. 45/2029 and the approval of EC No. 132/2023 must now be revisited in light of PLP No. 68/2024 and future changes, and again when future ordinary laws are introduced. With the PLP, macro trends in operational transformation can already be identified more clearly, and strategic decisions can begin to be made. The faster, more strategic, and more holistic these analyses and decisions are, the greater the achievable efficiency gains (non-tax) and the lower the impacts on the valuation (or unavailability) of real estate and labor in relocation scenarios, for example.

In this scenario, the Reform should already be seen as a disruptive element in the context of corporate strategy, which, due to its scope and relevance, should remain on the agendas of Boards and C-Level executives over the coming years, focusing on actions such as: reviewing the logistics and tax network; accelerating the monetization of credits; working on the pricing model; reassessing the strategy for historical indirect tax litigation; and evaluating current risks and opportunities. Therefore, the Reform should be seen as a great opportunity to establish a competitive advantage in domestic and external environments. This advantage tends to materialize through a holistic risk management approach converted into opportunities, supported by technology and integrated predictive data analysis, to be turned into a powerful value lever for your business.



Transformation journey

The next nine years will require a transformation in several areas of the business as some illustrative and case-by-case complementary elements follow:

Economic modeling and tax intelligence	Organizational strategy	Resilience and risk factors	Corporate and operational structure	Performance indicators and strategic communication
<ul style="list-style-type: none"> Impact measurement using efficient data and technology Optimal timing and method of transitioning from structures anchored in tax benefits 	<ul style="list-style-type: none"> Segment-specific aspects Feasibility of the business case based on the Tax Reform 	<ul style="list-style-type: none"> Impact on risk appetite Tax Reform as a new factor in the corporate risk and advantage spectrum 	<ul style="list-style-type: none"> Consolidation/creation of entities, planning of real estate, labor, and operational structures with financial/tax efficiency Logistics and distribution review 	<ul style="list-style-type: none"> Mapping the effects on EBITDA and respective communication Contracts and other agreements to be impacted

Key transformation channels:

1	Processes	
2	Technology	
3	People	
4	Data	



Want to understand more about how this topic can affect your business? [Talk to PwC.](#)

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