

COMPASS GUIDE

Doing Business in Brazil

Practical Guide for
Dutch Companies & Entrepreneurs



A vintage-style map of South America, specifically focusing on Brazil. A red line is drawn across the map, starting from the top right and ending at a blue dot on the coast of Brazil. The word "BRAZIL" is printed in large, dark, serif capital letters across the center of the map. Below the word "BRAZIL", the city of Brasília is marked with a star. Other cities labeled include Belem, São Luís, Teresina, Goiânia, Uberlândia, and Campo Grande. The map shows geographical features like rivers and coastlines.

BRAZIL

2025
2026
Edition

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Acknowledgments

We would like to thank all the people and companies who actively contributed to this Dutcham Compass Guide.

Black Jaguar - Ben Valks, Giulia Chersoni

BPC Partners - Milena Nonato

CLM Controller - Marco Santos

Deerns - Patrícia Gaspar, Anderson Assunção

Dutchwaffle - Gabrielle van Meeteren-Kraan, Mels Kraan

Fragomen - Diogo Kloper, Diana Quintas

KPMG - Laura Trapp, Adriana Barreto, Isabelle Romanelli, Giovana Araújo, Tatiana Gruenbaum, Manuel Fernandes

Pacheco Neto, Sanden, Teisseire Advogados - Danielle Van Tongeren

Pinheiro Neto Advogados - Mariana Coraça, Marina Fronterotta, Rafael Salomão, Thais Chebatt, Natalia de Almeida

TMF Group - Marcio Santos

Vieira Rezende Advogados - Camila Lefèvre, Jessica Pizarro, Zoë van Tongeren

We would not have been able to do it without their insights and knowledge.

This Compass Guide has been made with the support of the Dutch Embassy and Consulates and our privileged members.

Foreword

Welcome to All Dutch entrepreneurs

At a time when the world is facing deep challenges – climate change, biodiversity loss, inequality, geopolitical tensions – the Kingdom of the Netherlands firmly believes in one powerful principle: Solving Global Challenges Together. This is more than a slogan; it is a call for action that shapes how we engage with the world and how we partner with valuable stakeholders. Brazil, as one of the Netherlands' key partners, plays a central role in this collective effort.

Brazil offers enormous potential for Dutch companies. With its advantages – including rich biodiversity, a diversified economy, and a growing commitment to sustainability – Brazil is not only a strategic market but also a dynamic space where innovation, collaboration, and sustainable growth can thrive. Dutch companies with expertise in sectors such as renewable energy, circular economy, smart logistics, water management, agritech, and green hydrogen will find fertile ground for investment and partnerships.

Doing business in Brazil also has its challenges. Complex tax systems, regulatory bureaucracy, and administrative hurdles are well-known realities for international investors. But these are not insuperable. In fact, recent reforms – including tax modernization, enhanced digital services, and increasing public-private dialogue – signal a clear commitment to improving the business environment. Navigating this landscape requires strong local networks, adaptive strategies, and the right support systems in place.

To that end, the Dutch diplomatic network in Brazil – our Embassy in Brasília, Consulates-General in São Paulo and Rio de Janeiro, and Netherlands Business Support Offices (NBSOs) in Belo Horizonte and Porto Alegre – stands fully committed to offering strategic guidance, facilitating connections, and fostering innovation. Together with our valued partner Dutcham, which plays a vital role in promoting and supporting trade, business, and investments between the Netherlands and Brazil, we create a platform where companies can be successful and lead responsibly in a fast-changing world.

The years ahead – particularly 2025 and 2026 – will bring significant transformation. From shifting climate regulations to evolving global trade patterns, businesses must remain agile while staying true to their ESG commitments. Now is the moment for Dutch companies to act boldly, to invest in sustainable solutions, and to be part of Brazil's green transition. By working hand-in-hand, across sectors and borders, we can build a more resilient, inclusive, and sustainable future – for both countries and for the planet.

Let's continue solving global challenges. Together.

Aldrik Gierveld

Ambassador of the Netherlands in Brazil



Welkom, Bem vindo, Welcome Dutcham Compass Guide

Brazil is an absolute fascinating country - truly the size of a continent - with an extraordinary diversity in geography, population, traditions, and heritage. Its 26 states enjoy a high degree of autonomy, each with their own regulations, cultures, and business environments. This complexity presents challenges, but also tremendous opportunities, especially in a country that is 200 times the size of the Netherlands, with a youthful population and steadily increasing purchasing power.

Doing business in Brazil requires preparation, patience, and insight. As the saying goes, “Brazil is not for beginners.” But we believe that nothing is impossible for well-prepared and determined minds equipped with the right information and support.

The Compass Guide offers entrepreneurs and companies interested in doing business in Brazil a clear, honest look at the landscape, including both the pitfalls and the potential. From navigating bureaucracy to understanding cultural dynamics, this guide draws on the collective knowledge of our community to help you make informed decisions.

The harder it is to do business in Brazil, the easier it is to connect with Brazilians. Their openness and friendliness are contagious for many foreigners to quickly feel at home. Yet there are important cultural differences with the Netherlands that are good to know before you start doing business in Brazil. While business culture here may differ from the Dutch approach - less direct, more fluid, and often less bound to strict timelines - the warmth, flexibility, and openness of Brazilians make it easy to build connections. One of Brazil's most rewarding aspects is its people. These relationships are often the cornerstone of long-term success.

At Dutcham, we have decades of experience in helping companies from the Netherlands navigate the Brazilian market. We offer you not only insights, but also access to a trusted network of multinational firms, SMEs, entrepreneurs, and local service providers. Key sectors such as agriculture, energy, and life sciences & health offer tangible opportunities for Dutch businesses of all sizes.

We hope this guide gives you a valuable first impression of what's ahead, and rest assured, our team remains at your side for any questions you may have along the way. We look forward to supporting your journey and welcoming you personally to our Dutcham community.

Stronger together,

Peggy De Rop
Managing Director



1. Understanding Brazil

The Market, the Mindset, and the Momentum



1.1 The Landscape

Brazil is a complex, large and diverse country. It is the fifth largest country in the world, and the largest in South America, with a surface of over 8,5 million square kilometers – which is 200 times the size of the Netherlands and it spans 4 time zones. Bounded by the Atlantic Ocean on the East, Brazil has a coastline of 7.491 kilometers and borders all the South American countries except Ecuador and Chile, covering almost half of the continent's land area. Since it is in the Southern Hemisphere, when it is summer in Europe, it is winter in Brazil.

Its Amazon River basin includes a vast tropical forest, home to diverse wildlife, a variety of ecological systems and extensive natural resources spanning numerous protected habitats.

The capital is Brasília, and the most populated city is São Paulo. The federation is composed of the union of the 26 states, the Federal District, and the 5,570 municipalities. It is the largest country to have Portuguese as an official language and the only one in the Americas. English is not widely spoken, although this is improving rapidly, especially in major urban areas such as Rio de Janeiro and São Paulo.

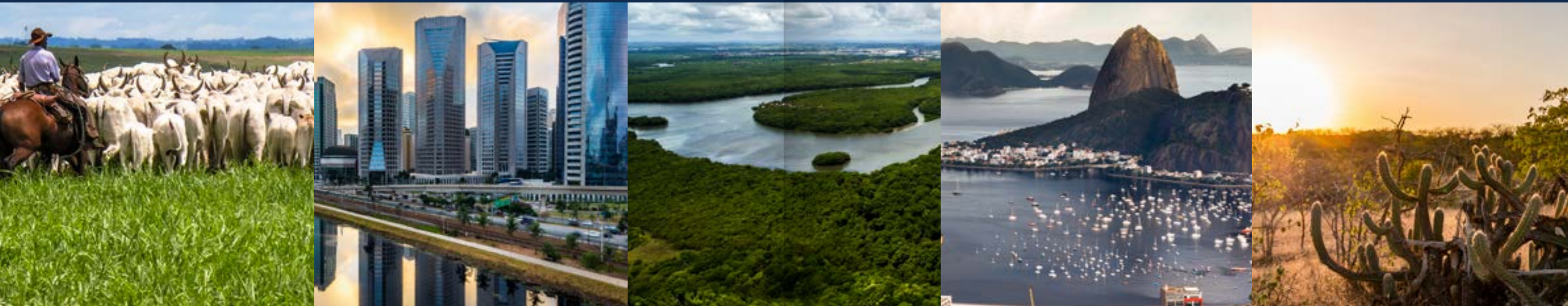
The Southeast region (made up by the states of São Paulo, Rio de Janeiro, Minas Gerais and Espírito Santo) accounts for 11% of the national territory but accounts for 53.3% (2024) of the country's GDP. The Southeast was the first region to enter the industrialization process in Brazil, and it is now quite developed industrially and economically. This is the region where it is also possible to find the best infra-structure to establish new business.



The Northeast is the second most populous region; however, the demographic density is low, due to the migration to other parts of Brazil. Brazil is also one of the most multicultural and ethnically diverse nations, due to over a century of mass immigration from around the world. The country has an approximate population of 212,8 million, equivalent to 2.73% of the world's population. It is the sixth most populous country in the world. With a broad ethnic diversity and most of its population is urban (approximately 88 %). The average age is 33.5 years old and even though women are a majority in terms of numbers, their representation in the corporate world still needs improvement.

Brazil was inhabited by numerous native american tribal nations prior to the landing in 1500 of explorer Pedro Álvares Cabral, who claimed the area for the Portuguese Empire. Brazil remained a Portuguese colony until 1808, when the capital of the empire was transferred from Lisbon to Rio de Janeiro. In 1815, the colony was elevated to the rank of kingdom upon the formation of the United Kingdom of Portugal, Brazil and the Algarves. Independence was achieved in 1822 with the creation of the Empire of Brazil, a unitary state governed under a constitutional monarchy and a parliamentary system. The country became a presidential republic in 1889 following a military coup d'état. An authoritarian military junta came to power in 1964 and ruled until 1985, after which civilian governance resumed. Brazil's current constitution, formulated in 1988, defines it as a democratic federal republic.

Brazil is a founding member of the United Nations, the G20, BRICS, Union of South American Nations, MERCOSUL, Organization of American States, Organization of Ibero-American States, and the Community of Portuguese Language Countries.



Country's information

Brazil is also one of the most multicultural and ethnically diverse nations, due to over a century of mass immigration from around the world.

Area	8,515,767 Km2
Population	213 M (2024)
Capital	Brasília
Largest City	São Paulo
Language	Portuguese
Ethnic Groups	48% White 43% Mixed 7,6% Black 1% Asian 0,4% Native American
Government	Federal Presidential Constitutional Republic
GDP	US\$2.18 trillion +3,4% growth (2024)
GDP Inflation	4,83% (2024)
Unemployment	6,6% (2024)
Currency	Brazilian Reais (R\$)
Internet Users	187.9M (2024)
Time Zone	UTC -2 to -5
Driving Side	Right
Calling Code	+ 55

Source: World Bank and IBGE (Brazilian Institute of Geography and Statistics)

1.2. Cultural Insights



The core culture of Brazil is derived from Portuguese culture, because of its strong colonial ties with the Portuguese Empire. Among other influences, the Portuguese introduced the Portuguese language, Roman Catholicism, and colonial architectural styles. The culture was, however, also strongly influenced by African, indigenous, and non-Portuguese European cultures and traditions. Some aspects of Brazilian culture were influenced by the contributions of Italian, German and other European as well Japanese, Jewish, and Arab immigrants who arrived in large numbers in the South and Southeast of Brazil during the 19th and 20th centuries. Brazilian culture is plural, complex, and multifaceted.

Hierarchy, class, and status play important roles in Brazilian society. Personal relationships are highly important in Brazil, and this is reflected in the fact that Brazilians mix personal and professional life to a high degree. Furthermore, Brazil is a very receptive and hospitable nation. Happiness, related to this hospitality, is an aspect widely spread around Brazilian society.

Brazil has the highest genetic diversity in the world. This combined with the wide range of socio-economic living conditions might prove to be challenging for a foreigner who is not used to this diversity. Brazilians compare this diversity with the "melting pot" in the

United States. Contrary to the failure of the melting pot in the United States, Brazilians see their own melting pot as successful. The American idea of the melting pot, where all races and cultures should converge to one (American) culture, is adapted in Brazil in the sense that all races and cultures live together in a harmonious way, all still with their own cultural traits. In this sense the word melting pot should be changed to "stew" or mixture.

This section will dive a bit deeper into certain aspects of the Brazilian culture by highlighting topics such as Brazilian pride, optimism, hospitality, creativity and flexibility & concept of time.

Pride & Optimism

Brazilians are proud of Brazil and all its traits. Brazilians always try to highlight the positive side and never stop to be optimistic. For example, in soccer, even when the team isn't playing well, the Brazilians are always optimistic and say they will win.

Part of Brazil's characteristic pride and optimism may come from a widely shared belief in the country's future potential. Many Brazilians draw energy and motivation from the idea of a brighter tomorrow. Outgoing, lively, and warm-hearted by nature, Brazilians value personal connections and carry a strong sense of pride in their roots.

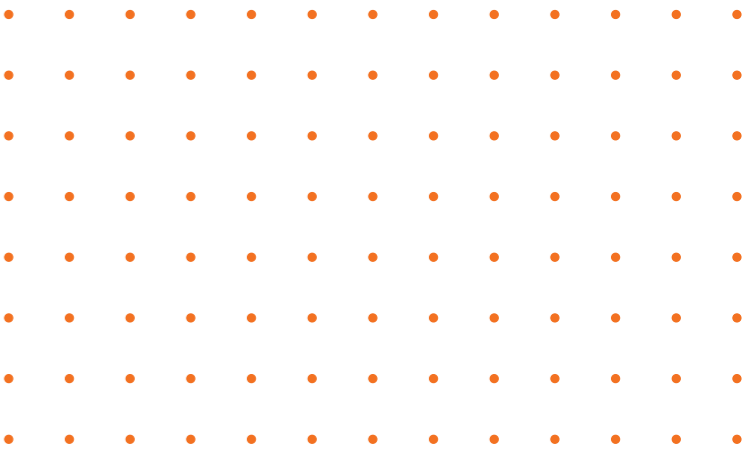
However, despite this optimism, there is often a lack of collective drive to push for broader societal change. Many Brazilians tend to focus on their immediate circles—such as family, friends, or community—rather than on society as a whole. This focus on close-knit groups can lead to a certain disengagement from broader civic issues and contributes to a sense of resignation about national challenges.

At the same time, while Brazilians may see their country as falling behind more developed nations in areas such as public services or governance, they rarely extend this criticism to their own personal networks. In fact, people tend to feel a deep pride and sense of superiority within their own circles. As a result, they may take criticism of Brazilian society as a whole quite personally, especially when it comes from foreigners.

This combination of pride in one's personal world and skepticism about national progress creates a paradox: while there's strong individual and group pride, there's also a kind of pessimism when it comes to collective change. That's why self-critical comments about Brazil are common among Brazilians themselves—yet they may react defensively when similar remarks come from outsiders.



In short, while Brazilians are deeply optimistic on a personal level, the path to building a stronger collective future often runs up against a social dynamic where national progress feels distant or beyond individual influence.



Hospitality

Brazil is a very hospitable nation. Everybody is welcome and in general Brazilians show high level of interest in foreigners. This hospitality however can also pose difficulties for many foreigners. As they feel very welcome, they create high expectations to form thorough friendships in a short period of time. When forming these friendships is then harder to realize as expected, or perhaps done in a different way than in the foreigner's home-country, this can create frustration. It can be hard to establish 'real' contact with Brazilians.

It is very common to hear them say "come to my place for a BBQ" or "Let's go out this weekend". Some foreigners might see this as a real commitment to be followed up on, however sometimes it is merely a way for the Brazilian to be cordial. It is not uncommon if this cordiality is not followed up by a real concrete invitation, setting a date, time, and place. Superficial friendships are easily created in Brazil, whereas deeply rooted solid friendships are a lot more difficult to accomplish.

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Creativity

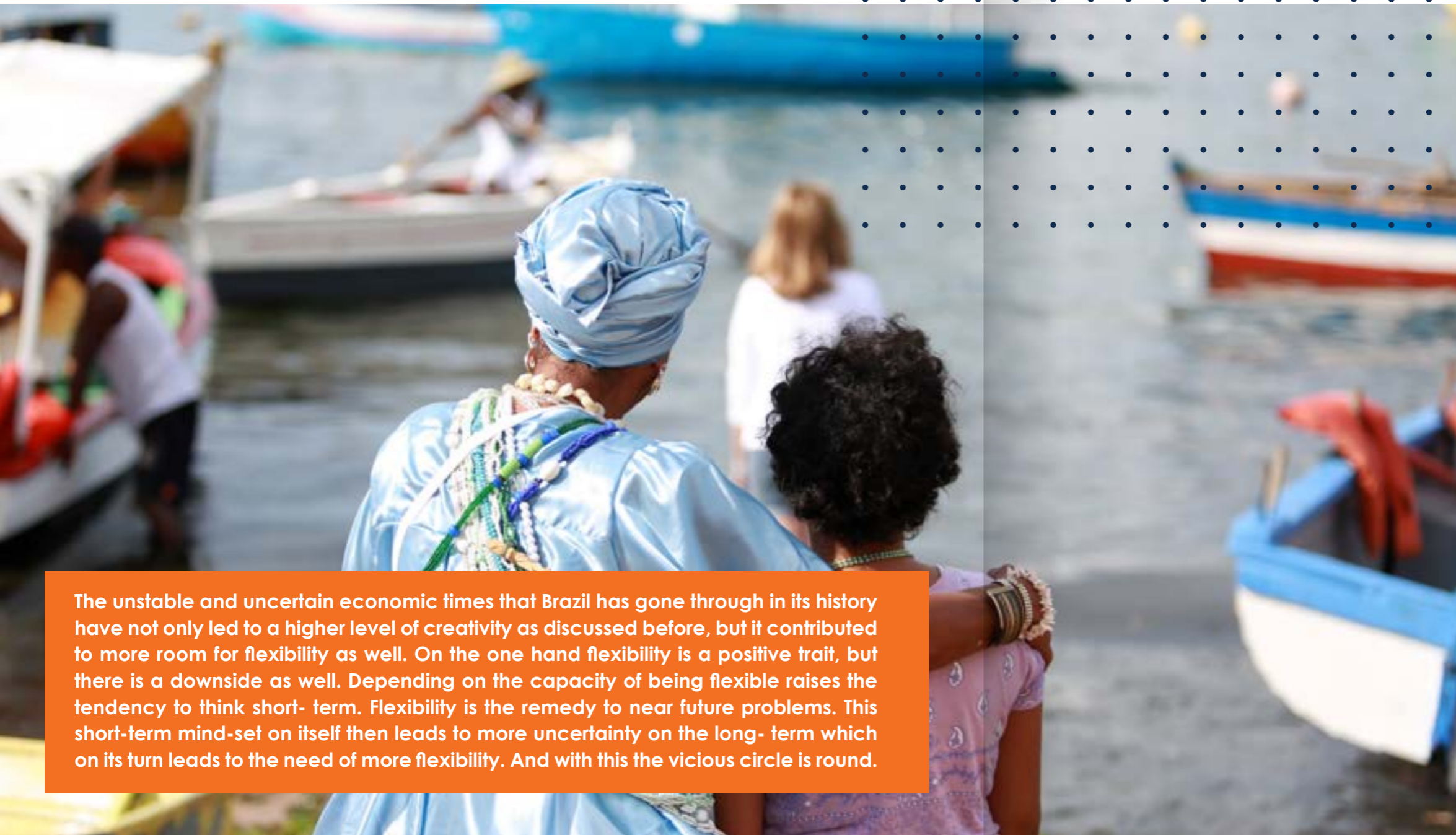
Brazilians are creative and more resistant to contrariety since they often experienced difficult economic circumstances.

This creativity is directly related to having dealt with high uncertainty. An unstable economic environment will cause its population to avoid risks and, in this sense, avoid uncertainty. Since not everything is avoidable, Brazilians have become creative in dealing with this uncertainty.

Due to leading with much economic instability in its history, Brazilians do not have experience in seizing the fullest possible benefit of economic up-times in order to create a solid and sustainable fundament to better deal with down-times that might lie ahead in the future. To exemplify, Brazil exports lots of (cheap) raw materials like petroleum, iron, ore, and coffee beans and subsequently imports (expensive) value-added products like gasoline, steel, and coffee.



Flexibility & Concept of Time



The unstable and uncertain economic times that Brazil has gone through in its history have not only led to a higher level of creativity as discussed before, but it contributed to more room for flexibility as well. On the one hand flexibility is a positive trait, but there is a downside as well. Depending on the capacity of being flexible raises the tendency to think short- term. Flexibility is the remedy to near future problems. This short-term mind-set on itself then leads to more uncertainty on the long- term which on its turn leads to the need of more flexibility. And with this the vicious circle is round.

As Brazilians are used to a flexible way of doing things, they deal better with diversity. When a problem occurs, they are more creative. The downside to this is that there is less planning for the future. Problems are dealt with on a case-by-case basis when they occur.

Summarizing however, it can be said that flexibility is a positive trait of Brazilian culture. Often Brazilians will refer to the terms 'jogo de cintura' and 'jeitinho brasileiro'. Jogo de cintura literally means "waist game"and comes directly from the movement of dribbling past opposing team members in soccer. This dribbling is accompanied by swinging the hips which is seen as a jogo the cintura. So jogo de cintura represents the flexibility needed to deal with difficult, uncertain, and challenging situations.

One way to understand "jeitinho" is as a resource used by "espertos" —savvy, cunning, or sly individuals who use common sense and prior knowledge, as well as naturally gifted intelligence in their thought processes. It implies that a person is "street-smart", but not necessarily "book-smart." It typically also connotes opportunism, pragmatism, and using one's networks, with little regard for the law, the state or for persons outside of one's own circle or family. "Jeitinho Brasileiro" in its purest form can be considered as a positive trait, however when taking it too far, it might hamper the correct abidance of the law.

Punctuality is a relative concept in Brazil. Especially for Dutch nationals the Brazilian notion of time is quite different than what they are used to. The clock is not the same. The precision is not the same. The accuracy is not the same. Punctuality does not only apply to showing up at the exact time at meetings but to the whole spectrum of time related issues, like i.e., the delivery of a document or the response on a question sent by e-mail.

The lack of punctuality contributes to the need of being flexible, so in this sense lack of punctuality can be both a weak and a strong point. When a Brazilian schedules a meeting at 9 AM, it would be perfectly fine to arrive 10 or 15 minutes late, as this, for most, won't really be considered late.

It must be said however that wide regional differences exist, i.e., the city of São Paulo is more punctual than the city of Rio de Janeiro. The positive side to lack of punctuality is that there is no need to reschedule a meeting to a later moment, as often would be the case in the Netherlands. This ties back to Brazilians being quite flexible.

Whereas punctuality is often hard to find in Brazilian business, it is even worse in social events. This can be a real difficulty for foreigners since it can be difficult to know at what time to show up at a social event. If you are invited to a dinner at eight o'clock, it can be inappropriate to arrive at eight because you will find that the hosts might not be ready yet. Nobody is expected to be on time on such occasions.

Lack of punctuality contributes to a short-term vision as well. The tendency to postpone certain issues, and the solution thereof, negatively affects productivity. On the other hand, lack of punctuality can trigger a positive learning curve for a foreigner since it requires more flexibility. It is a question of finding equilibrium between structure/organization and flexibility.'

Flexibility is the Brazilian remedy to near future problems and this aspect contributes to Brazilian creativity enabling a more informal way to also communicate.

1.3 Verbal and Non-verbal communication



“The day that you understand jokes is the day that you integrated in that culture. You have to understand the context in which things fit.”

This comment clearly shows the importance of communication. Being able to understand and make yourself understood is perhaps the most important facet of a foreigner's experience in Brazil.

Portuguese is the official language of Brazil. It is a complex and rich language – with over 10 verbal tenses - that most certainly is not easy to learn for a foreigner. It leaves room for different interpretations. You change a comma, and this changes the whole meaning of the sentence. Although it is a European language, it is quite different from Dutch. Knowing other Latin-rooted languages such as Spanish, Italian, or even French, will certainly help in mastering the Portuguese language quickly.

Brazilian Portuguese tends to be a less pronounced accent than Portuguese from Portugal, with a less thick accent. Only the 1st and 3rd persons are used, both for singular and plural conjugations, i.e., verbs for “he” and “you” are conjugated in the same way.

Since the Portuguese language was spread over the Brazilian territory over a relative short period of time, when communication over longer distances was already much more common, the accent differences tend to be much less than when compared to European countries, where the local language developed over a much longer period, contributing to large regional differences. Brazilians will be surprised to hear that local accent in the Netherlands change over distances as short as 50 km or less.

Even when foreigners reach a level of fluency in the Portuguese language there still remain possible obstacles for clear communication due to differences in both verbals as non-verbal use of the language. These two aspects are discussed in the next two subsections.

Brazilians are not very direct in their communication. Contrary, their communication can be characterized as very indirect. There is a lot of 'reading between the lines', which can be a huge difficulty, especially for the Dutch that are used to a more direct style of communication. Since messages are predominantly implicit, direct communication might come off as being aggressive in Brazil.

A Brazilian will not directly say so if he doesn't like a certain idea. In direct face-to-face communication he will swirl around the subject. First two to three positive remarks will be made until the high word comes out of not really liking the idea. Brazilians interpret a lot, and that makes direct language difficult, relating to the fact that Brazilians tend to be conflict avoidant.

Lack of interest while communicating through e-mail can result in the absence of a response to a certain proposal or idea. This is a form of showing lack of interest while the foreigner in question might get frustrated and thinks the other party is incompetent. Most of the times this is a wrong conclusion, and, in this sense, silence is very expressive. It shows how much interest you were able to arouse.

Since Brazilians tend to mix social with professional life to a high degree, direct communication can disturb social relations. Direct communication on a professional subject might be taken personally. Due to the mixing of social and professional life there is a higher need to be delicate in communication which often leads to a form of indirect communication. Differences in style of communication can cause difficulties for Dutch nationals that work with Brazilians. Since Brazilians are used to an indirect style of communication where there is much reading between the lines, they might search for non-existent messages while communicating with a foreign colleague.

Interruptions in communication in Brazil are frequent and are often seen as a form of showing interest and respect. This can be quite confusing for a foreigner who sees interruptions as a lack of good manners. In the Netherlands, interruptions would show disrespect to the speaker as the speaker is supposed to give turns to whoever wants to make a comment or ask a question. A foreigner who is not used to interruptions and therefore does not use them may get frustrated while communicating with a Brazilian as he might feel he is not being assertive enough.

Communication in Brazil tends to be very loud and noisy. You often see two or three people talking at the same time, and silence is practically non-existent. In general, silence makes Brazilians uncomfortable.

Non-verbal communication most certainly is a lot richer in Brazil than the Netherlands. Verbal communication in Brazil goes accompanied with many hand gestures and facial expressions. This tends to increase the level of emotion that is put into the message. As verbal communication can pose various difficulties for foreigners in Brazil, non-verbal communication can help in establishing clear and understandable communication in the sense that it is more expressive.



Personal distances in Brazil are amongst the shortest in the world. Both men and women will stand closer to you and may touch you lightly during a conversation. When greeting you or saying good-bye, they may shake your hand or hug you, and both men and women will kiss a woman on the cheek, and this is even common for a first-time meeting. A foreigner not used to these decreased personal distances might have a hard time getting used to them.

1.4. The Country's Challenges

Brazil is a country the size of a continent. It has rich, fertile lands, which, in combination with its tropical and subtropical climate, allows for the cultivation of practically any crop.

Its almost 8.000 km of coastline provides rich fishing waters. Furthermore, it is rich in natural resources, like petroleum, iron, ore, and many more other metals. Its hydro-dams provide for 60% of the domestic electricity consumption, adding to a large potential of sun and wind energy. Brazil has no hostile neighbors, nor any natural disasters other than flooding of urban areas through rainfall. Despite all these positive traits, Brazil does face some challenges, as will be discussed in the subsequent sections.



Poverty

Brazil remains one of the most unequal countries in the world in terms of income and wealth distribution.

A small percentage of the population holds a large share of the country's total wealth, while a significant portion still lives in (extreme) poverty. This inequality is deeply rooted and continues to shape the country's social and economic landscape.

Notable progress was made in the early 2000s, especially through the introduction of « Bolsa Família », a federal social welfare program that provides financial support to low-income families. In exchange, families must ensure their children attend school and receive vaccinations. The program has helped millions escape poverty and is widely recognized as one of the most effective tools in Brazil's social policy. Many families have experienced a lasting improvement in their quality of life after receiving this support.

Despite these advances, poverty remains a pressing challenge. In 2024, Brazil's poverty rate fell slightly to 25.36%, down from 28.01% in 2023. However, this modest progress masks deeper structural issues. For instance, temporary poverty—where families move in and out of poverty due to unstable employment or rising costs—is increasingly common, particularly in metropolitan areas. The impact of inflation in 2024 was especially harsh on low-income families, limiting access to essential goods like food, transportation, and healthcare.

Brazil's minimum wage in 2025 is R\$ 1,518 per month (about EUR 240), which remains insufficient for many families to meet their basic needs. The country's tax system also contributes to inequality: consumer goods are heavily taxed, while income taxes remain relatively low. This disproportionately affects the poor and limits upward mobility.

Inequality is starkly visible in Brazil's urban centers. In Rio de Janeiro, about 20% of the city's six million residents live in favelas (slums). These communities typically lack adequate infrastructure, sanitation, and public services, and are often beyond the effective reach of municipal authorities.

The gap between rich and poor is wide and persistent: the richest 10% of Brazilians earn significantly more than the poorest 40%, underscoring the deep structural imbalance. Reducing this gap is not only a moral imperative but also a strategic goal for Brazil's sustainable development.

In line with the United Nations Sustainable Development Goals (SDGs), Brazil has committed to eradicating extreme poverty by 2030—a target that will require sustained investment, reform, and inclusive economic growth.

Understanding these social dynamics is essential for anyone seeking to do business, invest, or engage in development initiatives in Brazil. Addressing inequality is key to unlocking the country's full economic and human potential.

Productivity

Brazil is often described by experts as a nation of "workaholics," with long working hours being a common feature of the country's labor culture. However, clocking in more hours does not necessarily translate into higher productivity.

Over the years, labor productivity in Brazil has remained stagnant—and at times, has even declined—especially when compared to other emerging and developed economies. Several studies underline the consistently low productivity growth in Brazil, placing it among the lowest globally.

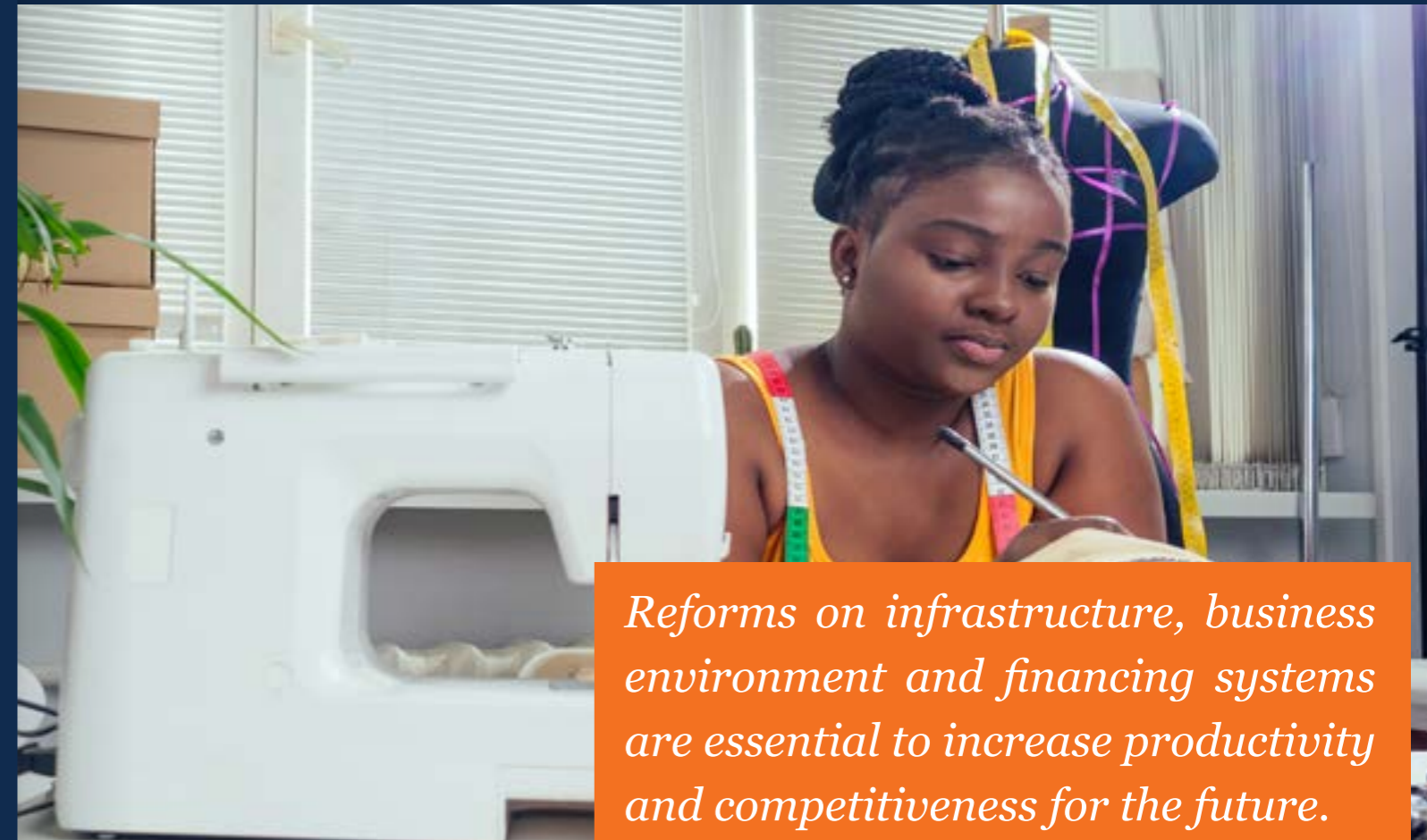
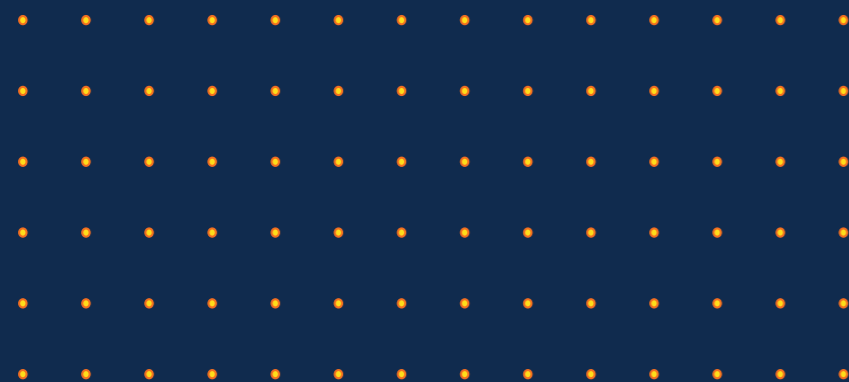
Some factors that contribute to stagnation in productivity:

- **Low education and qualification of the workforce:** Lack of investment in education and training can limit the productive capacity of workers.
- **Lack of technology and innovation:** The adoption of more modern technologies and the promotion of innovation are essential to increase productivity.
- **Lack of competitiveness of companies:** Lack of investment in infrastructure, training and technology can reduce the competitiveness of companies and, consequently, productivity.
- **Tax and regulatory structure:** Excessive bureaucracy, lack of tax incentives and the complexity of labor legislation can hinder the growth of companies and the improvement of productivity.
- **Lack of investment in human and physical capital:** Lack of investment in education, technology and infrastructure can limit productivity growth.

Impacts of productivity stagnation:

- **Low economic growth:** Productivity is one of the main drivers of economic growth, and its stagnation can limit the country's development.
- **Lower competitiveness:** Lack of productivity can reduce the competitiveness of Brazilian companies in the international market.
- **Low quality of life:** Low productivity can lead to lower wages, less job security and a lower quality of life for workers.

According to the World Bank, more structural reforms are needed to increase productivity, especially outside the agricultural sector; improve the business environment, promote innovation and trade openness, strengthen educational outcomes, increase savings and infrastructure investments, and enhance resilience to climate change. The recent indirect tax reform is expected to improve productivity, reduce compliance costs, simplify the tax system, and remove numerous economic distortions.



Reforms on infrastructure, business environment and financing systems are essential to increase productivity and competitiveness for the future.

Overall, it is now clear that Brazil cannot rely on commodity booms, greater land, and labor inputs to achieve high-income status. Instead, the country needs to shift from factor accumulation to a low-carbon productivity-led growth model, driven by high-quality education and modern infrastructure, including digital, to create more and better jobs. Brazil could also act as a global innovation hub through more competition, greater trade openness, and integration with regional and global value chains.

How to improve productivity in Brazil:

Investing in education and training: It is essential to invest in education and training to improve workers' qualifications and increase their productive capacity.

Promoting innovation and technology: It is necessary to invest in research and development to drive innovation and the adoption of more modern technologies.

Simplifying bureaucracy and legislation: It is important to simplify labor legislation and bureaucratic processes to facilitate business growth and increase productivity.

Promoting business competitiveness: It is necessary to invest in infrastructure, training and technology to increase the competitiveness of Brazilian companies.

Increase investment in human and physical capital: Investing in education, technology and infrastructure is essential to improve productivity and economic growth.

Moreover, significant progress will require sustained efforts and strong adherence among key actors, including the private sector, in a way that transcends political divisions and electoral cycles. If successful, the programs, policies, and reforms adopted now would help strengthen Brazil's productive structure and technological innovations in the short term while laying stronger foundations for the long term.

Infrastructure

Brazil's vast geography and continental dimensions make infrastructure a critical factor for doing business in the country. While Brazil is Latin America's largest economy, its infrastructure still presents significant bottlenecks that impact logistics, productivity, and competitiveness.

Roads are the dominant mode of transportation for both freight and passengers. However, only about 25% of roads are paved, and maintenance is often poor. High logistics costs—especially for transporting agricultural products—are a direct consequence of this limited road quality.

The rail network is underdeveloped, with just 25,000 km of operational tracks, and continues to shrink as older lines fall out of service. Brazil, while almost matching Europe in land area, has only about 10–13% of its railway infrastructure. This limits efficient cargo movement, especially over long distances.

Port infrastructure is another major challenge. While Brazil has over 175 ports (32 public ports and 143 private terminals) including Santos, the largest and most important public port which handles around 30% of the country's container throughput and plays a central role in Brazil's foreign trade. Many of the ports are plagued by congestion and operational delays. Long truck queues, particularly during harvest seasons, are a frequent issue and raise costs for exporters.

In contrast, air transport is relatively well developed. Brazil has with more than 5000 airports, more than any European country – and even more than the entire continent of Europe (3800) – but most are small airstrips or general aviation fields, especially in remote or rural areas. The major international hubs are São Paulo (Guarulhos) and Rio de Janeiro (Galeão) ensuring good connectivity for business travel and high-value cargo.

Beyond transportation, gaps in sanitation, energy distribution, and digital infrastructure continue to affect overall business efficiency and quality of life in several regions.

To address these issues, in the year of 2025, the Brazilian Infrastructure sector is expected to experience one of the largest pipelines of concessions in its history. It is estimated that this record portfolio will inject BRL 161 billion in Brazil's transportation infrastructure, within 15 tenders, while in the sanitation sector the estimation is of BRL 72,4 billion, within 23 tenders.

While the scale of investment is promising, challenges remain. In recent years, several tenders have failed due to a lack of investor interest. A key concern is legal and economic uncertainty, especially the absence of clear contractual mechanisms for economic rebalance in the face of inflation or other macroeconomic shifts.



Many infrastructure contracts still present unbalanced risk allocation, where economic and operational risks are disproportionately assigned to private contractors. Weak dispute resolution frameworks and insufficient tariff adjustment mechanisms further discourage participation from experienced global players.

Brazil's territorial scale and regional complexity also pose unique challenges. Projects often involve high capital expenditure, low population density, and a high rate of service payment default, which can undermine financial viability—especially in sanitation and utility sectors.

For international businesses, Brazil's infrastructure challenges are not just operational hurdles—they also represent strategic investment opportunities. With a large domestic market, rich natural resources, and increasing government openness to private sector participation, Brazil remains a high-potential destination for companies and investors willing to engage with long-term transformation.

Brazil's upcoming infrastructure tenders are increasingly investor-friendly, featuring stronger financial safeguards, more balanced risk-sharing, and streamlined dispute resolution mechanisms. These developments open up clear opportunities for Dutch companies to secure stable, long-term returns in a high-potential market.

Education

Many people see education, and the lack thereof, as Brazil's biggest problem. It is widely believed that tackling this problem will solve all other problems in Brazil. This is however a long-term project, for which there is little political will.

Public education in Brazil is free at all levels. Primary education is compulsory as per the Brazilian Constitution. Most primary schools are maintained either by municipalities or the states. Both entities are obliged to apply at least 25% of their budgets in education. Since economic disparities exist between states, richer states and cities have more money to deliver quality education, whereas in the poorer cities and states the education will be generally of lower standards.

School non-attendance by absence and malnutrition is one of the biggest educational problems in Brazil. Work under the age of 16 is forbidden by law, however Brazil has many cases of child labor. Children from large poor families start working from the age of 10 in order to help their parents, despite the law of compulsory education between the ages of 10 and 14. Other reasons for school non-attendance are the lack of sufficient school places and the high examination failure rate. Malnutrition also materially affects the intellectual development of children, giving them little chance of adapting to an educational environment.

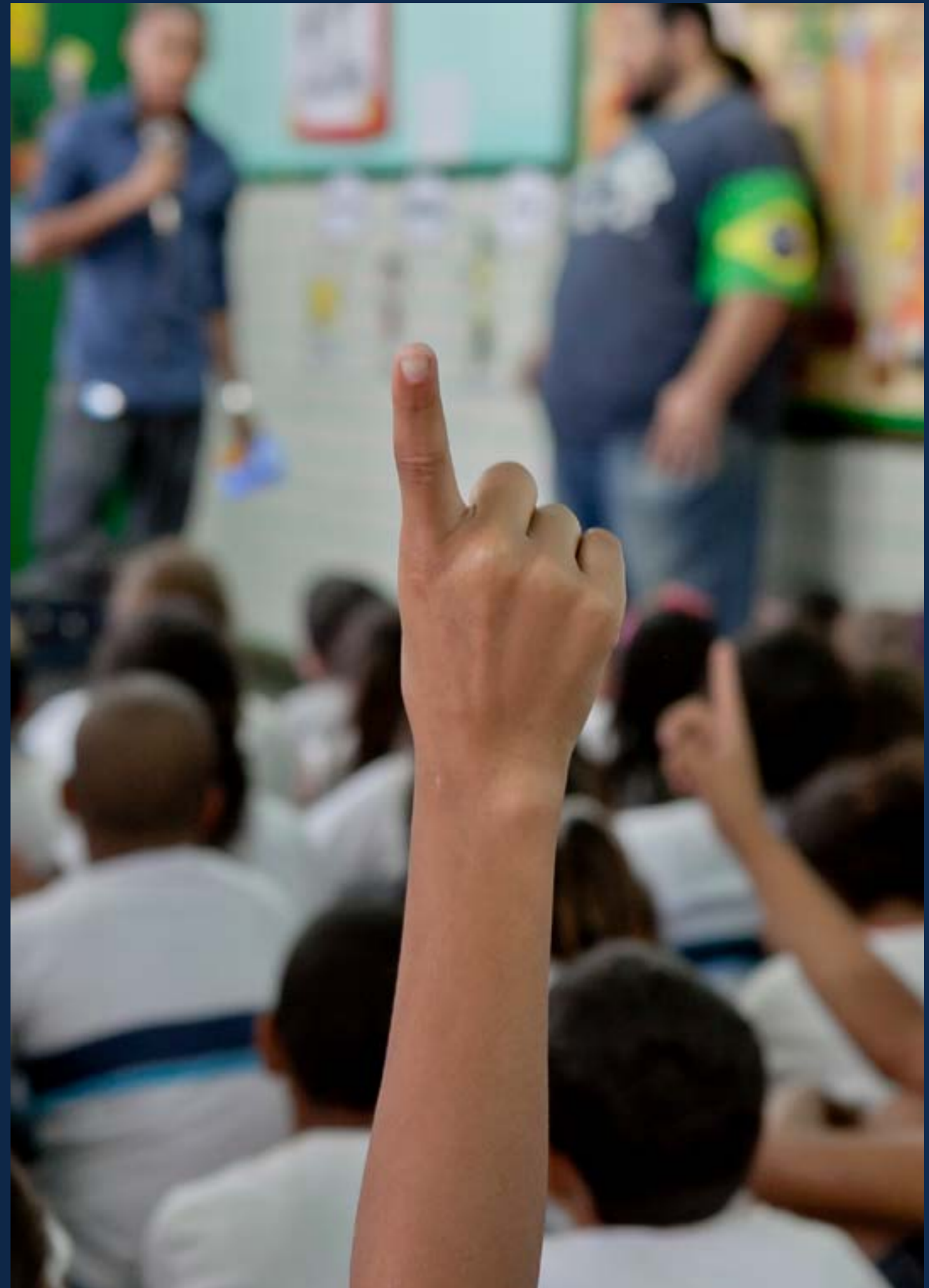
The standards of primary and secondary public education have been falling over the past decades.

Since Brazil invested little in education, public education's standards dropped, and the middle class moved their children to private schools. Nowadays, practically all the middle class sends their children to private schools, with costs varying widely.

Lack of education is an often-heard comment on Brazilian society. Although there is an existent system of public schools, the quality of these pre-university schools is considerably poorer than private education.

This lack of education influences the (professional) development of Brazil. The low level of education in Brazil in general has been a concern as it perpetuates the income inequality situation by decreasing social mobility. This limits the opportunities of those in low-income groups, lowering their chances of narrowing the income gap. Put in a very blunt way, the poor do not have the resources to send their children to good (private) schools, resulting in low-paid jobs at a later stage, making it impossible to send their children to good schools, and so on. The opposite occurs for the rich, where resources are available to send their kids to good (private) schools, giving them much better opportunities on the labour market at a later stage, creating financial means to provide the same to the next generation. With that the 'vicious' circle is round.

The low level of education in Brazil in general has been a concern as it perpetuates the income inequality situation by decreasing social mobility.



Health Care

The Brazilian public health system, the Unified Health System (SUS), is managed and provided by all levels of government, being the largest system of this type in the world. On the other hand, private healthcare systems play a complementary role. Public health services are universal and offered to all citizens of the country for free. However, the construction and maintenance of health centers and hospitals are financed by taxes, and the country spends about 9,7% of its GDP on expenditures in the area. (2024)

Overall, the standard of public health care in Brazil is fair. You can expect a good level of care in some areas, but inadequate in others. If you were to experience an emergency whilst in Brazil, you could expect good quality treatment. However, let's say you required nursing care; you would likely be disappointed with the standard. It is also important to bear in mind the fact that the standard of care changes depending on where you are in Brazil. If you go outside of the major cities the standard drops drastically. If you are situated in one of the main cities, you must anticipate waiting lists and big crowds.

Middle class families and up prefer to rely on the private health care system, through a private medical insurance, even in cases of emergencies, as most of the private hospitals have their own ambulance services. This health insurance is costly, making it inaccessible for most Brazilians.



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Violence & Security

Public safety in Brazil faces several challenges, ranging from high crime rates to structural problems in the police force. Urban violence, organized crime, and corruption are issues that require ongoing attention and innovative strategies to be effectively combated. Official statistics show that Brazil recorded 45,747 homicides in 2023, the lowest rate in 11 years. The country had 21.2 homicides per 100,000 inhabitants, a reduction of 2.3% compared to 2022. These are the data from the 2025 Violence Atlas, published by the Institute of Applied Economic Research (Ipea), in partnership with the Brazilian Public Security Forum (FBSP).



In the daily lives of large cities, public safety is one of the issues that tops Brazilians' concerns, where robberies, thefts and scams are recurrent. In September 2024, a Datafolha survey showed that, after 11 years, violence was once again identified by the population of São Paulo as the city's most serious problem (22%), surpassing public health bottlenecks.

Cell phone thefts are frequent occurrences in large Brazilian centers. A survey conducted over nine months in 2023 identified 45 occurrences of cell phone thefts registered every day at police stations serving downtown São Paulo. There were 16.5 thousand cases during the period – the highest number since the state's Public Security Department began counting in 2001. Considering the entire metropolis, however, the robbery rate fell 6.7% compared to the previous year, while thefts rose 6.5%, with just over 250 thousand occurrences.

Similar numbers were recorded in capitals such as Salvador, Bahia, and Rio de Janeiro. The Brazilian Public Security Yearbook published in 2024 with data from 2022, by the Brazilian Public Security Forum, showed that 2.7 thousand cell phones are stolen every day in Brazil.

Digital crimes, such as payment fraud, have also increased significantly since the pandemic. A study published last year by fintech Silverguard showed that 1.7 million scams were carried out in the country in 2022 using Pix alone, a payment platform that has been in use for four years.

For the Brazilian Public Security Forum, the problem of violence and public security is political in nature – a common perception in several sectors of the country. The most effective fight against violence in Brazil would involve long-term public policies, involving everything from social approaches with young people to more robust investigations into parallel markets. Many agree that the short-term, police-based approach solves little. Strategic and long-term actions are more than urgent.



Corruption & Bureaucracy

Over the past decades, Brazil has faced significant challenges related to corruption and bureaucratic inefficiencies. However, in recent years the country experienced a series of transformations that are gradually reshaping its business environment and governance landscape. These changes are creating a more transparent and predictable setting, particularly attractive for foreign companies seeking investment opportunities.

One of the most significant developments has been the strengthening of Brazil's anti-corruption framework. The Operação Lava Jato (Car Wash Operation) had a long-lasting impact by exposing systemic issues and catalyzing institutional changes.

Since then, Brazil has enacted several regulations to fight corruption as the Clean Company Act (Law No. 12.84/2013). Initially regulated by Decree No. 8.420/2015 and later revised and revoked by Decree No. 11.129/2022, it reflects the evolving international standards in anti-corruption and the practical insights gained from nearly a decade of enforcement since the Brazilian Clean Company Act introduction.

Moreover, the former Brazilian Improbity Act (Law. No. 8.429/1992) has also been recently revised and altered by Law No. 14.230/2021. The reform aimed to enhance legal certainty, reduce interpretative ambiguities, and ensure greater proportionality in the sanctioning of public officials.

Consistent with this regulatory evolution, Brazil's public procurement legislation has also been substantially restructured. The former Bidding Law (Law No. 8.666/1993) was replaced by Law No. 14.133/2021, which introduces a comprehensive and updated framework for public procurement and administrative contracts.

Within this broader context of regulatory modernization, in 2019, the Economic Freedom Law (Law No. 13,874/2019) was enacted aiming to reduce bureaucratic constraints, fostering a more favorable environment for entrepreneurship, and reinforcing legal certainty in economic activities.

In addition to that, the implementation of Brazil's Federal Public Integrity System[1], and the expansion of digital government services, have significantly increased transparency. The Brazilian Federal Court of Accounts (TCU)[2] and the General Comptroller's Office (CGU)[3] have adopted AI and data analytics tools to proactively detect fraud and irregularities. This technological transformation has enhanced the efficiency of oversight mechanisms.

In fact, a 2024 Organization for Economic Co-operation and Development (OECD) report highlighted CGU's innovative use of artificial intelligence, including the development of generative AI tools, to enhance audit efficiency and public sector oversight[4].

Furthermore, the digitalization of public services—such as the gov.br platform[5] and the eSocial system[6]—has significantly simplified bureaucratic procedures, reducing both the time and administrative burden associated with regulatory compliance.

Bureaucratic complexity continues to pose challenges - particularly due to the persistent issue of legal uncertainty and overlapping competencies among federal, state, and municipal authorities—the environment is showing signs of gradual improvement.

Brazil's multi-tiered government structure often gives rise to conflicting regulations, duplicative procedures, and jurisdictional disputes. This fragmentation complicates compliance efforts for businesses, as they must navigate several requirements imposed by different authorities, each with its own interpretation and enforcement practices. Moreover, the absence of clear, harmonized rules contributes to a volatile legal environment, deterring investment and undermining institutional trust.

Nevertheless, significant progress has been made in recent years. Public demand for transparency and accountability has intensified, placing increasing pressure on institutions to modernize. At the same time, the strategic adoption of digital technologies - such as electronic filing systems and integrated databases -has accelerated the implementation of administrative and regulatory reforms. These efforts aim to streamline procedures, enhance legal certainty, and create a more favorable and predictable environment for foreign investment. As a result, Brazil is actively undergoing a transformation aimed at fostering a more dynamic, transparent, and business-friendly environment, aligned with international standards of good governance and economic competitiveness.

The digitalization of public services has significantly simplified bureaucratic procedures, reducing both the time and administrative burden associated with regulatory compliance.

2. Land of Opportunities

Key Sectors, Investments & Mercosur Potential



2.1 The Market & Sectors

Brazil, officially the Federative Republic of Brazil, is the fifth largest country in the world and the largest in South America. With 26 states and one Federal District (the seat of the capital, Brasília), Brazil has a territory of about 8.5 million square kilometres.

The Brazilian economy is the world's ninth largest (as per current GDP, 2023) and the biggest in Latin America. The services sector is the largest economic sector in Brazil which accounted for 58.9% of GDP in 2022. Agriculture and industry also contribute a substantial amount to Brazil's economic growth.

The country is abundant in natural resources that includes gold, uranium, iron and timber. Brazil is a member of several global economic organisations, including Mercosur (the Southern Common Market), the Union of South American Nations (UNASUR), the Group of Eight + Five (G8+5), the Group of Twenty (G20), the World Trade Organization (WTO) and the Cairns Group.

The nation has implemented several business reforms in recent times that make it easier to do business, including the creation of online portals for registering business licences and a new law that encourages parties to settle business disputes with mediation. The main cities for doing business are São Paulo and Rio de Janeiro, both located in the southeast of the country.



Demography

Brazil's population is very diverse, comprising many races and ethnic groups. As of 2024, Brazil's population is approximately 212 million people. It is the seventh most populous country in the world.

Population distribution in Brazil is very uneven. The majority of Brazilians live within 300 kilometres of the coast (Eastern region), while several other regions have a much lower population density. Therefore, the densely populated areas are on the coast and the sparsely populated areas are in the interior. On average, population density is about 25 people per square kilometer.

Important data on demography include:

Urbanization: Around 91% of Brazilians live in urban areas.

Age Structure: The median age is 34.4 years. The age distribution is as follows:

- 0-14 years: 19.6%
- 15-64 years: 69.5%
- 65 years and over: 10.9%.

Life Expectancy:

The average life expectancy is 76.3 years, with males at 72.6 years and females at 80.1 years

Fertility Rate:

The total fertility rate is 1.63 children per woman.

Ethnic Composition:

Brazil is ethnically diverse, with the major groups being: Mixed (45.34%), White (43.46%), Black (10.17%), Indigenous (0.60%), Asian (0.42%).

Languages:

Portuguese is the official language, and it is widely spoken across the country.

Growth sectors

Brazil's economy is diverse and robust, with the following sectors playing crucial roles in its economic stability and growth.

- Services, including finance, retail, tourism and telecommunications, comprise the largest economic sector, accounting for about 63% of the GDP.
- The industrial sector contributes with roughly 20% of GDP, encompassing manufacturing, mining, construction, and utilities. Key industries include automotive, steel, petrochemicals, and aerospace.
- Agriculture represents approximately 17% of GDP. Brazil is a major global producer of soybeans, coffee, sugarcane and meat.
- Brazil is a leader in renewable electricity within the G20 and has already exceeded its goal of generating 84% of its electricity from renewable sources by 2030.

Agriculture

Brazilian agriculture is a powerhouse of global food production and exports, particularly known for its dominance in soy, sugar, and meat production. The sector has seen significant growth and technological advancements, with a focus on sustainable practices and international trade.



Key Highlights:

Global Leader:

Brazil is a leading producer and exporter of soybeans, sugarcane, coffee, and meat.

Diversified Production:

Beyond the main export crops, Brazil also produces a wide variety of fruits, vegetables, and other agricultural products.

Technological Advancements:

Innovations in farming techniques, mechanization, and soil management have contributed to increased productivity.

Sustainable Practices:

Efforts to restore degraded pastures, reduce deforestation, and promote crop-livestock integration are underway.

International trade:

In 2024, Brazilian agribusiness exports totaled USD 164.4 billion, led by soybeans (USD 53.9 billion), meats (USD 26.2 billion), sugar and alcohol (USD 19.7 billion), forestry products (USD 17.3 billion) and coffee (USD 12.3 billion).

Tourism

Tourism plays a key role in Brazil's economy, contributing in several important ways: it is one of the largest generators of employment in Brazil, providing millions of direct and indirect jobs (hotels, restaurants, travel agencies, transportation and entertainment).

Tourism accounts for 7.7% of GDP. In 2023, the sector generated more than 7.7 million jobs across the country and generated US\$165.4 billion in spending.

Tourists are attracted by Brazil's rich cultural diversity, traditions, festivals and cuisine.

The country also has a vast biodiversity and unique ecosystems, such as the Amazon and Pantanal. State and National Parks, as well as over 7,000km of coastline offer a great variety of natural touristic encounters. Ecotourism is a highlight, since it not only preserves ecosystems, but also because it can raise awareness among visitors about the importance of preservation.



Energy

The Brazilian government has undertaken an ambitious program to reduce dependence on imported petroleum. Imports previously accounted for more than 70% of the country's oil needs but Brazil became self-sufficient in oil in 2006–2007. Brazil is one of the world's leading producers of hydroelectric power. Existing hydroelectric power provides most of the nation's electricity.

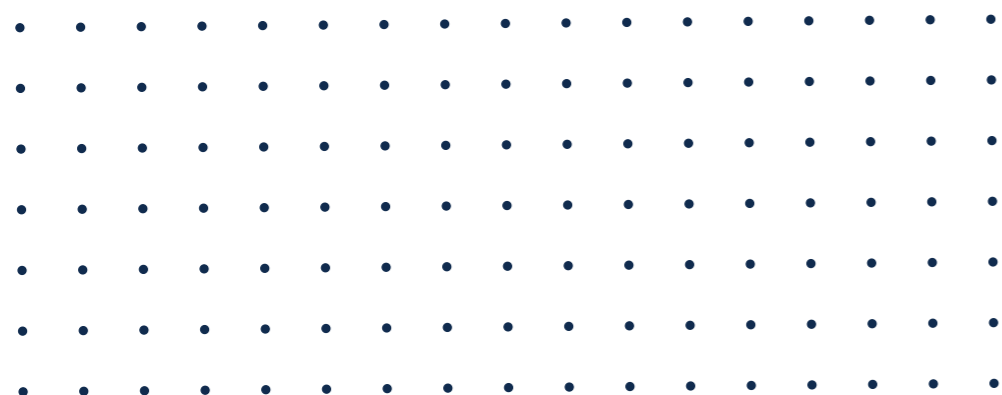
The Itaipu, Belo Monte and São Luiz do Tapajós plants are some of those responsible for around 62% of the country's electricity production.

Solar energy is expanding in Brazil, consolidating itself as the country's second largest source of energy, with 22.2% of the installed capacity of the electricity grid. Distributed generation, where consumers generate their own energy, is the main driver of this growth. Brazil ranks 6th in the world in solar energy generation, with over 53 GW of installed capacity.

Brazil has great potential for wind power generation, especially in the Northeast and South regions, where the winds are more constant and strong. The Northeast is responsible for around 85% of the wind power generated in the country, with states such as Rio Grande do Norte and Bahia leading in production. Currently, the installed wind power capacity in Brazil is approximately 33 thousand megawatts (MW), representing around 13.5% of the national energy matrix.

Over 90% of Brazil's car park is "flex", being able to run on petroleum-based fuel and ethanol, where the latter is extracted from sugar cane, which is mainly cultivated in the west of Brazil.

Brazil has great potential to be a global leader in green hydrogen production, due to its vast renewable energy resources and competitive production costs. Green hydrogen production in Brazil is obtained through the electrolysis of water, using energy from renewable sources such as solar, wind and hydroelectric power. The country has the potential to produce green hydrogen at competitive costs, which makes it attractive for investment and exports.



Industry



Brazil has one of the most diversified industrial bases in Latin America, contributing 25% of GDP and employing nearly 10 million people. In 2024, industrial production grew by 3.2%. The sector drives over 70% of exports, 68% of R&D investment, and generates a third of federal tax revenues—highlighting its central role in Brazil's economy and global trade.

It is also responsible for enabling the competitiveness of other segments of the economy, producing, for example, machinery, equipment, seeds, fertilizers, and satellites, essential inputs for the high productivity of Brazilian agriculture. Currently, Brazilian industrial production contributes approximately 24% of GDP.

Despite its undeniable benefits, Brazilian industry needs to invest in innovation and increased productivity, especially through the modernization of manufacturing facilities. There is still a lack of greater emphasis on exporting high-value-added products. While the global average of exports is 21% of high-tech items and 31% of medium-high-tech items, in Brazil these categories represent only 2% and 13%.

The recent implementation of tax reform and the "neo-industrialization" movement, characterized by the availability of clean energy that encourages the manufacturing of equipment and products geared towards the new global phase of greater care for the environment, are factors that can better drive development of the Brazilian industry in the coming years.

Green Economy

Climate change is one of the greatest challenges of our era, demanding joint global action. However, it also offers transformative opportunities for building sustainable economies. Brazil, due to its rich natural resources and commitment to sustainability and climate goals, is uniquely positioned to become a global green hub.

Four key factors make Brazil vital in this transition:

Amazon Rainforest & Biodiversity: Hosting 60% of the Amazon basin, as well as 15-20% of the world's biological diversity, Brazil is a biodiversity powerhouse and important carbon sink. These natural resources are critical for global carbon sequestration and offers bioeconomy potential.

Clean Energy Matrix: Over 89% of Brazil's electricity comes from renewables (EPE, FY 2023), including hydropower, wind, and solar. This far surpasses the EU average and provides a strong foundation for further green energy development.

Land-Use Emissions Challenge: Brazil is among the world's top six greenhouse gas emitters, with 74% of emissions resulting from land-use/change and agriculture. This highlights both the challenge and the opportunity to lead in climate, sustainable agriculture and reforestation.

Green Ports: Brazil's ports are key to its trade and emissions profile. Through the bilateral program "Green Ports Partnership", there's strong potential for joint efforts in port modernization, energy transition, decarbonization and smart logistics.

Sustainable and innovative airports: Brazil's aim to modernize airports and freight systems offers opportunities for Dutch innovations in low-emission transport and logistics optimization.

The bilateral relationship between the Netherlands and Brazil already reflects these opportunities. Both countries are committed to deforestation-free supply chains, sustainable agriculture, clean energy, and climate-smart water management. The UNFCCC climate convention COP30, held in Belém in the Amazon region in November 2025, is a key milestone. It represents a unique opportunity for companies to align with climate diplomacy priorities and forge new partnerships.

Strategic sectors for cooperation include, but are not limited to:

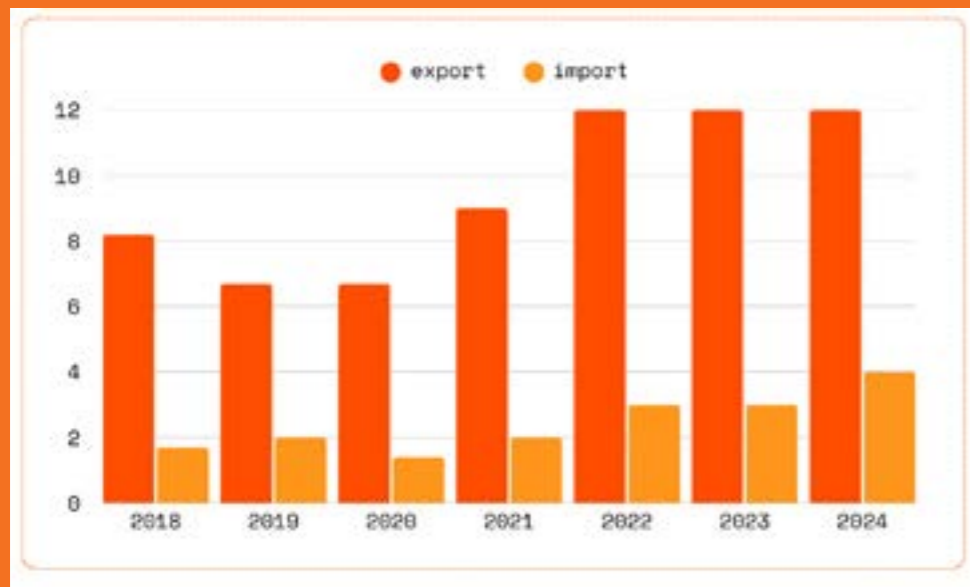
- 1. Energy in transition:** With abundant renewable resources, Brazil is well-positioned to expand offshore wind and green hydrogen production. Dutch expertise in clean energy and port infrastructure makes the Netherlands a fitting partner in accelerating this transition.
- 2. Sustainable agriculture:** Brazil's agricultural sector is both a challenge and an opportunity for climate action. There's growing demand for Dutch agri-tech solutions that boost productivity while lowering emissions, such as precision farming and bio-based inputs.
- 3. High-tech systems and materials:** Innovations in aerospace, AI, robotics, and drones are increasingly relevant for climate monitoring and resilient agriculture. Dutch technology can support Brazil in scaling smart solutions for both urban and rural contexts.
- 4. Water:** Climate change is intensifying Brazil's water challenges, from floods to droughts. Dutch leadership in water management and sanitation can help strengthen infrastructure and build resilience.
- 5. Maritime:** Brazil's ports are key to its trade and emissions profile. Through the Green Ports Partnership, there's strong potential for joint efforts in port decarbonization and smart logistics.
- 6. Sustainable logistics:** Brazil's aim to modernize airports and freight systems offers opportunities for Dutch innovations in low-emission transport and logistics optimization.

The Dutch private sector can play a leading role in these sectors. As companies develop corporate transition plans and prepare for and subsequently act on COP30, Brazil offers a fertile ground for innovation, green investments, and global impact. The Netherlands, with its strong presence and expertise in sustainability, is well-placed to support Brazil's green transformation. And potentially so is your business.

2.2. Trade relations between Brazil & The Netherlands

Brazil and the Netherlands share diplomatic, historical, and cultural relations for several centuries and it would be no different with commercial relations.

Diplomatic ties between the two countries date back to 1828, when the Brazilian Empire and the United Kingdom of the Netherlands signed a Treaty of Friendship, Navigation and Commerce. Since then, the countries have mutually benefited from their trade relations.



Brazil Exports to Netherlands was US\$11.76 Billion during 2024, according to the United Nations COMTRADE database on international trade. Exports included petroleum and other mineral fuels, soybean meal and bran, iron ore, fruits and fruit juices.

The main products imported by Brazil from the Netherlands include mineral fuels, products from the manufacturing industry, pharmaceutical products, and fertilizers.

Brazil is a significant recipient of Foreign Direct Investment (FDI) and is considered one of the world's leading destinations for FDI, particularly within Latin America. In 2023, Brazil received US\$65.9 billion in FDI, which was still above the average for the 5 years prior to the pandemic, according to IEDI. While FDI inflows were lower than in 2022, Brazil's strong position as a key FDI destination continues, according to IE



In the first half of 2024, Brazil was the second highest recipient of FDI globally, after the US. Furthermore, Brazil's government actively encourages foreign investments in sectors such as automobile, renewables, life sciences, oil and gas, mining, and transportation and infrastructure sectors.

For this reason, we would like to list below some investment opportunities that may be interesting for foreign companies interested in the Brazilian market.



2.3. Investment Opportunities for Dutch Companies

In 2025, Brazil's infrastructure sector is planning a large number of auctions and concessions, with a total forecast of more than 110, including 27 in the sanitation sector and 87 in the transportation sector (highways, railways, ports). The New Growth Acceleration Program (Novo PAC - Programa de Aceleração de Crescimento) also foresees significant investments in infrastructure, focusing on transportation, sanitation and energy, with the aim of boosting both public and private investment.

According to the Brazilian Association of Infrastructure and Basic Industries, in 2025, infrastructure investments in Brazil are expected to total R\$288.2 billion and break a new record, according to projections by the Brazilian Association of Infrastructure and Basic Industries. Last year, the sector's numbers were already impressive. Investments totaled R\$260.6 billion (US\$ 46.87 billion), the best result to date.

Auction and Concession Details:

Transportation: The government expects to make 87 concessions, including renegotiations and new highway concessions, as well as concessions for port terminals and airports.

Investments: The expectation is that the auctions and concessions will attract significant investments, including projects from the Investment Partnerships Program (PPI), with expected investments of R\$130 billion (US\$23.4 billion).

The New Growth Acceleration Program (Novo PAC - Programa de Aceleração de Crescimento)

Focus: The New PAC prioritizes investments in infrastructure, specifically in transportation, sanitation and energy, with the aim of boosting the country's growth.

Investments: The New PAC foresees both public and private investments in the infrastructure sector, aiming to improve the quality of services and increase the country's efficiency.



Agribusiness

Brazil has established itself as a global protagonist in the main value chains of food, fiber, and bioenergy. The technological revolution and continuous innovation in the field have allowed the country to produce large volumes of exportable surpluses, compensating for the food trade deficit that is deepening in regions such as Asia.

Agricultural production in the country has been growing sustainably, becoming increasingly capital-intensive and less intensive in production factors such as land and chemical inputs. Some specific growth challenges translate into investment opportunities, among them: connectivity in the countryside, labor qualification, sustainability linked loans, carbon market, certification of sustainable products, end-to-end traceability, robotization and automation embedded in agricultural machinery and bioinputs.

Renewable energy

The renewable energy sector in Brazil presents several investment opportunities, with solar and wind energy being the most prominent. The country has a diversified energy matrix, with great potential for expanding renewable sources, such as hydroelectricity, biomass, biodiesel and natural gas. Government regulations and incentives, such as energy auctions and the renewable energy program, also drive investment in the sector.

The expansion of the Brazilian electricity grid has been mainly due to the installation of new wind and solar power plants.

Brazil is among the countries with the highest job creation in renewable energy, with more than 1 million jobs in the sector. Solar and wind energy have proven to be viable and economically competitive options for energy supply, boosting investments.

In 2024, the Brazilian energy grid reached the level of 50% renewable, marked by the maintenance of the supply of hydroelectric energy and sugarcane biomass, in addition to the growth of sources such as black liquor, biodiesel, wind and solar photovoltaic. It is observed that the renewability of the Brazilian grid is at a much higher level than that observed in the rest of the world and in OECD countries.



Ports



Brazil is experiencing an important moment in investment in infrastructure. In 2025, investments should total R\$ 288 billion (US\$50,8 billion) and break a new record. This applies well for ports.

Port movement reached 1.32 billion tons in 2024, according to data from ANTAQ - Agência Nacional de Transportes Aquaviários, which is Brazil's National Waterway Transport Agency. Of the total, around 64% of the movement occurred in authorized terminals, while the rest occurred in organized ports.

Around 67% of the movement was towards overseas (shipments). Regarding the cargo profile, around 84% was bulk (solid, liquid and gaseous) and the rest was containerized cargo.

At the end of 2024, the government announced its intention to tender 55 port projects (leases and concessions), including waterway projects, by the end of 2026. The total investment planned for these projects is around R\$20 billion (US\$3.6 billion).



Airports

According to data from Anac (Brazil's National Aviation Agency), passenger movement at the country's airports totaled 215.7 million passengers in 2024.

Despite having presented the highest movement since 2019 (a record in the series), the growth rate was only 3.6%, contrasting with the double-digit growth observed in the previous three years – possibly the exhaustion of pent-up demand after the pandemic.

Cargo movement, on the other hand, was 1.74 million tons in 2024, the highest volume in the series and an 11.3% expansion over the previous year.

Most of the investments in airports in the coming years will be contracted under the broad concession program, which involved major capital cities and some regional airports.

The federal government's PPI Secretariat's portfolio includes the re-tendering of the Galeão (in the state of Rio de Janeiro) and Viracopos (in the State airports. In addition, the municipality of Olímpia is in the process of initiating investments to build a regional airport.

Brazil has great potential to lead the production of Sustainable Aviation Fuel (SAF) in Latin America, driven by its expertise in biofuels and abundance of raw materials. The production of SAF from agricultural waste, such as sugarcane, could be one of the paths to decarbonizing aviation, with Brazil being a potential global supplier of SAF.



2.4. EU-Mercosur Trade Agreement

On June 28, 2019, Mercosur (Argentina, Brazil, Paraguay, and Uruguay) and the European Union reached a historic agreement on a bi-regional trade deal after 20 years of negotiations.

Mercosur – short for “Mercado Común del Sur” in Spanish (or “Mercosul” in Portuguese, and “Southern Common Market” in English) – was created to promote free trade, economic integration, and political cooperation among its member states.

A few key features of the agreement include:

- Elimination of tariffs on over 90% of goods traded between the EU and Mercosur
- Greater market access for EU companies in public procurement, services, and investment
- Strong commitments to environmental protection and labor rights

If ratified, the agreement could significantly reshape the economic landscape of both regions, promoting sustainable growth and creating new opportunities. European companies, including Dutch firms, stand to benefit from increased access to markets and deeper partnerships in Brazil and across Mercosur. After the 2019 “agreement in principle”, negotiations stalled due to mounting environmental concerns - particularly related to deforestation in the Amazon during the Bolsonaro administration - and political opposition from EU member states such as France, Austria, Ireland, and the Netherlands.

2022 was the year momentum returned to the EU-Mercosur deal, thanks to geopolitical urgency, a new political climate in Brazil (re-election of Luiz Inacio Lula da Silva as President of Brazil), and the drafting of an environmental side agreement to address European concerns.



Despite these advances, as of mid-2025, the agreement has not yet been ratified, primarily due to ongoing environmental concerns and political resistance in parts of the EU. Mercosur has introduced measures to address deforestation, protect natural resources, and comply with the Paris Agreement on climate change. The EU, in turn, has pledged €1.8 billion in investments to support a green and digital transition in Mercosur countries — aiming to strike a balance between economic growth and environmental protection.

The agreement also continues to push for deeper regional integration, including free trade, labor mobility, and financial coordination. Nonetheless, internal tensions and external pressures (including growing Chinese influence) remain significant challenges.



Why Mercosur matters for Dutch companies?

Mercosur offers tangible economic benefits for Brazil and its partners, while creating significant new opportunities for Dutch entrepreneurs and investors.

Key Aspects of the Agreement:

Tariff Reduction: The EU will eliminate 100% of its tariffs on Mercosur goods within 10 years, benefiting Brazilian exports such as chemicals, machinery, and medical devices.

Market Access: Mercosur will gradually open its market over 30 years, with phased liberalization in sensitive sectors like automotive and textiles.

Sustainability: The deal reinforces commitments to environmental protection, labor rights, and responsible trade.

Geographical Indications: 37 Brazilian geographical indications will be protected in the EU, including "Cachaça" and "Vale dos Vinhedos" wines.

Implications for European Businesses:

Increased Investment: Reduced tariffs and a more predictable business environment create favorable conditions for European investors in Brazil and the wider Mercosur region.

Innovation Partnerships: The agreement encourages technological collaboration between EU and Mercosur industries.

Access to Growth: Covering one-fifth of the global economy, the agreement opens doors to fast-growing markets and diversified export strategies.

Challenges to Watch:

Domestic Industry Pressure: Some Mercosur sectors (e.g. automotive) may struggle with increased EU imports and face pressure on local jobs.

Political Complexity: Managing intra-bloc tensions (e.g. Argentina–Brazil), balancing external influences (e.g. China), and aligning on environmental standards remain key challenges.

Strategic Opportunities:

Easier Market Entry: Regulatory cooperation and reduced barriers will ease access for Dutch companies.

Tariff Cuts on EU Exports: Products such as chocolate (20%), wine (27%), spirits (35%), soft drinks (20–35%), and dairy (e.g. cheese) will benefit from significant or full tariff reductions.

Policy Development: Mercosur countries are identifying niche opportunities and designing policies to mitigate risks and maximize gains from the agreement.

AI adoption in Mercosur countries

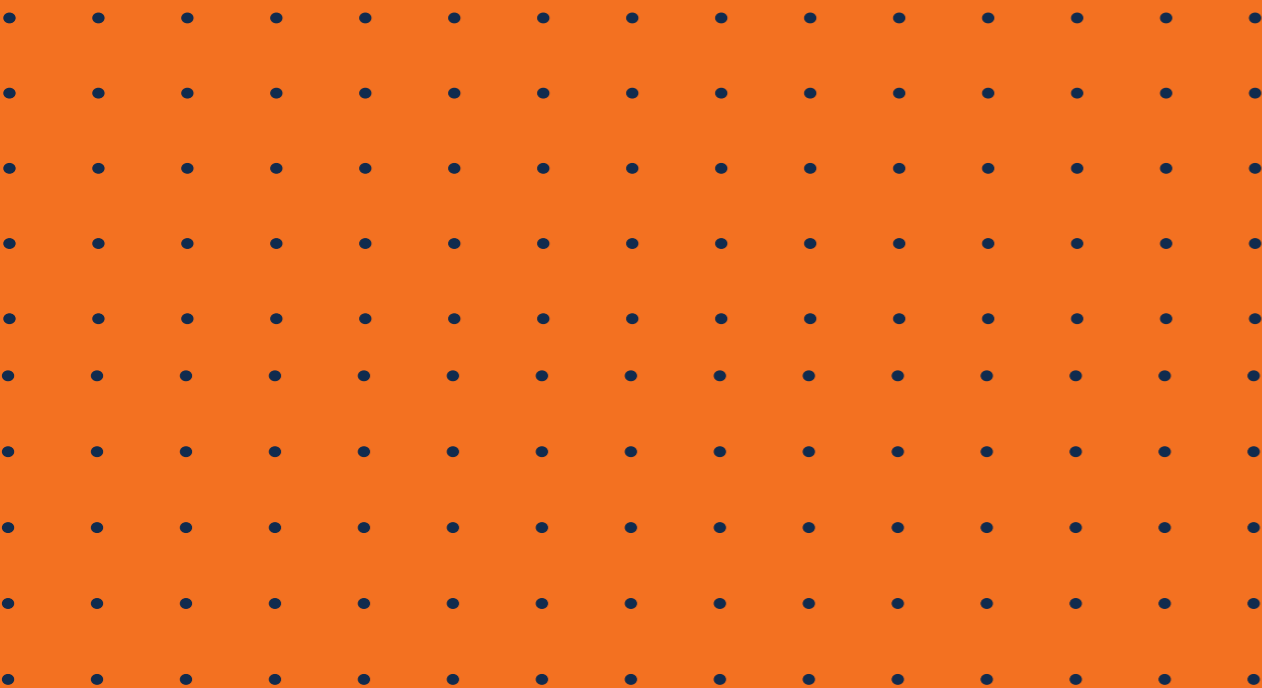
Mercosur is offering concrete opportunities in terms of AI. It is improving tourism and education by personalizing experiences and streamlining operations, while also strengthening cybersecurity and optimizing supply chains.

For example, Argentina is a hub for AI innovation, with companies like Chequeado developing automated fact-checking tools and Anónima constructing automated storage warehouses. Argentina's AI adoption there is expected to boost GDP growth by 0.6 percentage points annually, adding an estimated \$59 billion in value.

Brazil is investing in AI through research centers like FAPESP and the Centro de Estudos Científicos, focusing on healthcare, finance, cybersecurity, and logistics.

The Mercosur countries are recognizing the importance of regional collaboration in AI development, with initiatives like the Latin America Artificial Intelligence (LAAI) conference promoting knowledge sharing and innovation.

However, they need to invest in robust digital infrastructure to support AI development and focus on more AI talent in the region. The development of regulatory frameworks will be needed to address AI ethics and ensure responsible development.



AI Adoption in Mercosul Countries

- **Argentina:** The country is a hub for AI innovation, with companies like Chequeado developing automated fact-checking tools and Anónima constructing automated storage warehouses. Argentina's AI adoption is expected to increase annual GDP growth by 0.6 percentage points and gross value added by \$59 billion.
- **Brazil:** Brazil is also investing in AI, with research centers like the Centro de Estudos Científicos, like FAPESP, promoting scientific research and applications in areas like healthcare and finance.
- **Regional Collaboration:** Mercosul countries are recognizing the importance of regional collaboration in AI development, with initiatives like the Latin America Artificial Intelligence (LAAI) conference promoting knowledge sharing and innovation.

AI Applications in Mercosul

- **Tourism:** AI is being used in the tourism sector to improve customer experiences and optimize operations.
- **Education:** AI-powered tools are being developed to enhance learning outcomes and automate administrative tasks.
- **Cybersecurity:** AI is being applied to improve cybersecurity measures and protect against emerging threats.
- **Supply Chain Management:** AI is being used to optimize supply chain operations and improve logistics.

Challenges and Opportunities

- **Digital Infrastructure:** Mercosul countries need to invest in robust digital infrastructure to support AI development.
- **Talent Development:** There is a need for more AI talent in the region, with initiatives like MIT's AI-centric programs serving as a model.
- **Ethics and Regulation:** Mercosul countries must develop regulatory frameworks to address AI ethics and ensure responsible development.

2.5 SWOT Analysis

Foreign Trade and Investment in Brazil

Strengths

- **Large Domestic Market:** Brazil has a domestic market of over 210 million inhabitants, offering a significant consumer base for businesses.
- **Extensive Natural Resources:** Brazil is rich in natural resources, making it an attractive destination for investors in sectors like agriculture, mining, and energy.
- **Strategic Geographic Location:** Brazil's location provides access to other South American countries, facilitating regional trade and investment.
- **Diversified Economy:** Brazil has a diversified economy, reducing its vulnerability to international crises and offering opportunities for investment in various sectors.
- **Rule of law and large application of mediation and arbitration practices:** Brazil has a very solid experience in alternative dispute resolutions since its law from 1996. European investors, trading companies and exporters can benefit from the European Chamber of Arbitration and/or other institutions functioning in the country over the last 20 years.

Weaknesses

- **Bureaucratic Delays:** Brazil's bureaucratic processes can be slow and cumbersome, deterring foreign investors.
- **High Costs of Production:** Brazil has high production costs, including labor costs, which can make it challenging for businesses to operate profitably.
- **Insufficient Infrastructure:** Brazil's infrastructure, such as transportation networks, can be underdeveloped, increasing costs and complexity for businesses.
- **High Regulatory Risk:** Brazil's regulatory environment can be unpredictable, posing risks for foreign investors.
- **Shortage of Qualified Labor:** Brazil faces a shortage of skilled labor, which can hinder business growth and innovation.

Opportunities

- **Growing Demand for Renewable Energy:** Brazil is a leader in renewable energy, offering opportunities for investment in wind, solar, and bioenergy.
- **Increasing Investment in Technology and Innovation:** Brazil's startup ecosystem is growing, with opportunities for investment in fintech, health tech, and ed-tech.
- **Infrastructure Development:** Brazil's infrastructure projects, such as port modernization, offer opportunities for investment and partnership.
- **Agriculture and Agribusiness:** Brazil is a major player in agriculture and agribusiness, offering opportunities for investment in precision agriculture and bio inputs.
- **Trade Agreements:** Brazil's membership in Mercosur provides access to a larger market and enhances its position as a base for regional expansion.

Threats

- **Economic Instability:** Brazil's economy can be volatile, with fluctuations in GDP growth and inflation posing risks for businesses.
- **High Interest Rates:** Brazil's high interest rates can increase borrowing costs for businesses and reduce investment attractiveness.
- **Global Economic Trends:** Brazil's economy is influenced by global economic trends, including changes in commodity prices and trade policies.
- **Regulatory Changes:** Changes in regulations and policies can pose risks for businesses operating in Brazil.
- **Competition from Other Markets:** Brazil faces competition from other emerging markets, which can affect its attractiveness to foreign investors.
- Pending ratification by the parliaments of the member states after the current legal scrambling and harmonization of the final text.

3. Doing Business

What you must know to succeed in Brazil



3.1. The Cultural Gab

Important Things to know when navigating through a different culture

In a cultural aspect, it is important to consider that, in most cases, before closing a deal, Brazilians need to establish a trusty relationship with the other party, which is normally achieved in a long term and long hours of conversation, informal encounters, and coffees.

However, once that relationship is established, there is virtually no limitation to agreements that can be reached between good and friendly business partners.

This emotional component is common in Latin American, and Brazil is no exception. In many other cultures, business relationships tend to be neutral and objective. However, in Brazil it is considered appropriate (even expected) to express one's feelings during both formal and informal conversations.

Non-verbal communication, such as eye contact, plays a significant role in Brazilian business culture. This type of communication plays an important role on how Brazilians do business, but it can be tricky, as it may be misinterpreted or perceived as inappropriate by people from other cultures.

Sometimes a deal could be postponed if this close relationship is not fully established. That is why is so important to keep in mind that doing business in Brazil often requires a foreign professional to invest considerable time in building a social connection before moving forward with formal negotiations.

Lastly, it is essential to highlight the cultural diversity within Brazil itself. In addition to the differences between Brazilian and Dutch business cultures, Brazil's vast territory is home to significant regional variations in behavior, customs, and communication styles.

States that host major metropolitan centers—such as São Paulo and Rio de Janeiro—are generally more prepared to welcome foreign companies, thanks to stronger infrastructure and greater experience with international markets. This regional diversity demands a flexible, open-minded approach and a genuine willingness to adapt.

Recognizing and respecting these cultural differences is not just a matter of courtesy — it's a key factor in building trust, avoiding misunderstandings, and fostering successful, long-term business relationships in Brazil.



When entering a commercial transaction with a Brazilian business partner, Dutch entrepreneurs often feel comfortable due to an initial sense of mutual identification. In general, Brazilians are friendly and warm, even when discussing a business. This welcoming attitude can give foreign business partners the impression that the Brazilian side is ready to move forward with a deal, which may not always be the case.

One of the key differences between Dutch and Brazilian business relationships is that Brazilians tend to be warm and cordial from the outset. However, beneath that friendly exterior, they may still have serious reservations about the relationship. Brazilians often find it difficult to say "no", or to show disinterest in a business proposal, as they may see such responses as impolite or disrespectful.

Although Brazilians are generally less direct as the Dutch, it is recommendable for Dutch entrepreneurs to be clear and straightforward about their intentions. They should also encourage clear responses from their Brazilian counterparts. Often, the Brazilian partner appreciates the Dutch directness when it is directed at the business relationship. It can even have positive effects on the relationship, making the Brazilian partner feel more comfortable and willing to express their own views openly.

Personal relationships play an important role in Brazilian business culture. It is common for a Brazilian businessperson to invite a business partner to their home and introduce them to the family. If visiting the Netherlands, the Brazilian partner may expect a similar level of hospitality in return.

It is possible that some types of humor (such as sexist jokes, for example) may be acceptable in a certain environment, whilst not in other. In general, women appreciate to be treated cordially (holding a door for a lady may often be an appropriate gesture), but it's important to be observant and cautious, especially when there's a chance such actions could be misinterpreted. The best approach is to watch how others behave and remain attentive to avoid missteps.

Brazilians are extremely social by nature, which can affect daily work routines. A typical workday may include frequent coffee breaks and extended lunch hours. While the Dutch often aim to maximize productivity during the day to leave the office early, Brazilians are more accepting of longer office hours due to the informal rhythm of the workday.

Unlike the Dutch, Brazilians are not used to detailed long-term planning, even for important business events. It is not uncommon preparations to be left until the last minute, which can be surprising for foreign partners. This tendency is often linked to the unpredictability of the Brazilian environment, where making detailed plans may seem futile when circumstances can change at any moment: While this may lead to inefficiencies, it also makes Brazilian very flexible, good at improvising and solving problems under pressure.

3.2. The Brazilian Complexity

The Government & Legal System

Brazil is a Federal Republic adopting a presidential system. The president is the head of state and head of government and is elected for a four-year term, with the possibility of one re-election.

Brazil is divided into 26 states and a Federal District. The Constitution adopts a tripartite system with three branches of government: executive, legislative and judicial:

The Executive Branch

The executive branch is responsible for the governance of the State. It is headed

by the President who is advised by Ministers, Secretaries, and public organs. Since January 1st, 2019, the President has been Jair Bolsonaro with Hamilton Mourão as the Vice-President.

The Ministers of State in Brazil are appointed and dismissed by the President and are responsible for a specific area: Finance, Education, Environment, Justice, amongst others. There are currently 23 Ministers in Brazil.

The Legislative Branch

The legislative branch is responsible for drafting and approving legislation through the National Congress which consists of the Senate House and the Chamber of Deputies.

The Senate House is the upper house, and it has 81 seats, being three seats for the Federal District and each of the 26 states. Senators are elected for a mandate of eight years.

The Chamber of Deputies is the lower

house and is comprised of 513 deputies each with a mandate of four years.

The Judicial Branch

The judicial branch guarantees individual, collective, and social rights and it resolves conflicts between citizens, public or private entities and the State. It consists of two superior courts (the Supreme Federal Court and the Superior Court of Justice), and federal, state, and military courts.

The Supreme Federal Court (a constitutional court) and the Superior Court of Justice (an appellate court) - that are based in Brasília. Then here are federal courts and state courts which have different competences depending on the issue. Furthermore, courts are also divided into general and specialized courts, such as the military, electoral and labour courts.

The Brazilian Constitution from 1988 is the foundation of all legislation and regulation enacted by the Federal, State and Municipal governments.

Brazil has a civil law system, which means there is a Civil Code and Civil Procedure Code, and a Criminal Code and Criminal Procedure Code, besides numerous federal statutes on matters related to corporate, tax, consumer, and labour law.

Finally, there are also state and municipal statutes and regulations that must be followed. This combination of federal, state and local laws can be quite challenging for companies in Brazil and may lead to legal uncertainty, in particular in case of conflicts between them. This is one of the main reasons that foreign companies are advised to have the support of qualified and experienced professionals who can ensure compliance and minimize risks.

Legal & Political Uncertainty

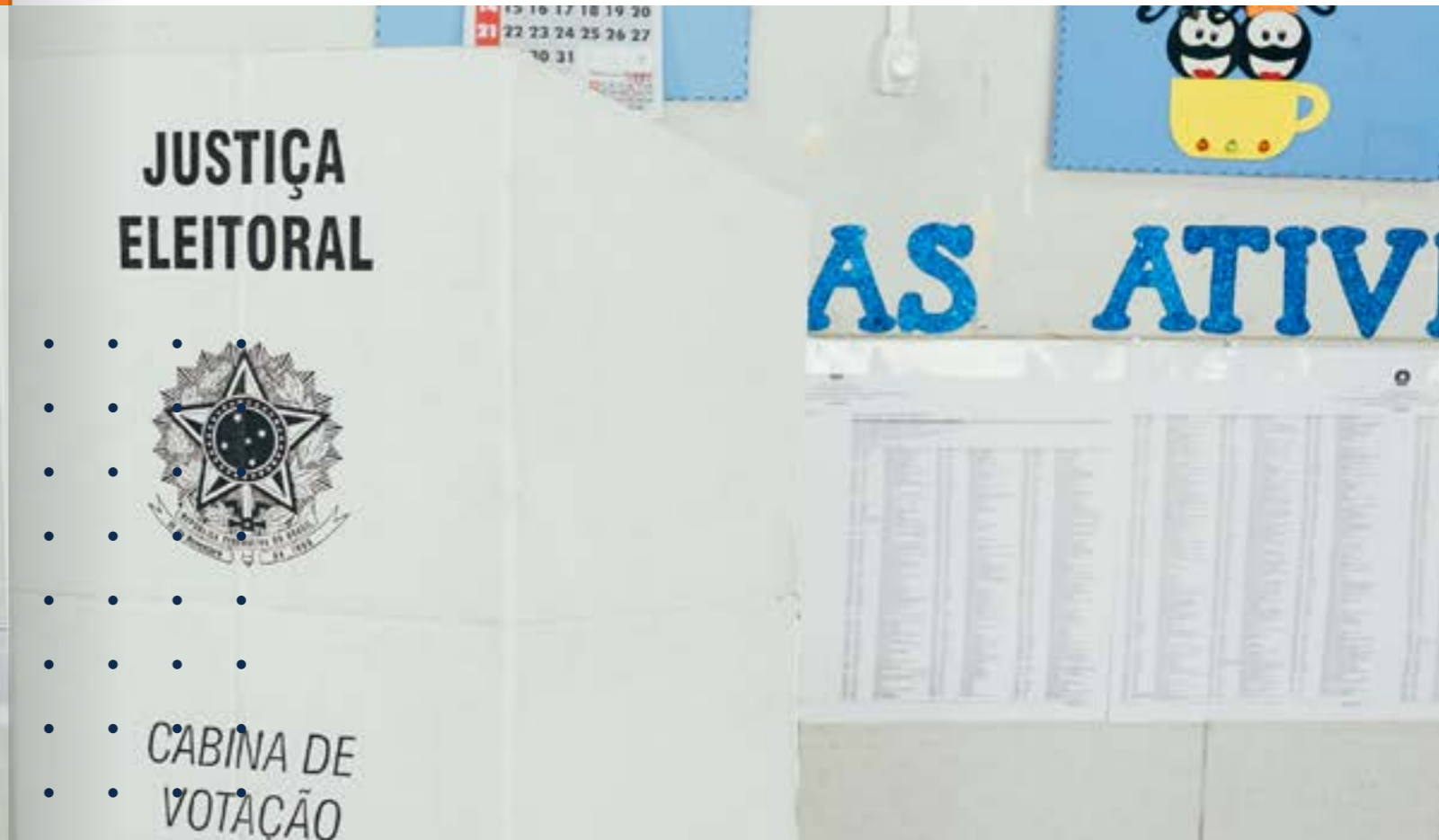
It is not a new given that Brazilian political and legal systems are uncertain, especially due to the various laws and regulations that are commonly changing and being created.

In the political scenario, the main difficulty is the excessively high number of parties - more than 30 - with distinct agendas and interests which makes any coalition between them very unstable. As a result, the approval of necessary reforms related to tax, labor, pension, among others is particularly challenging.

When having a business in Brazil, the entrepreneur must be advised that the first business plan may not be fully implemented, because it could be impacted by a sudden legislative change or Court decision, obliging the review of the plan or even of the entrepreneur's interest on having the business in the first place.

Adding to legal uncertainty is the recurrent change in the position of the courts on certain matters, such as tax matters. Companies in Brazil need to handle this matter on a daily basis and it has a clear and direct impact on the decision-making process of the companies.

It is important, therefore, to have specialized personnel and partners that could assist the companies prior to the initial draft of the business scenario/plan in view of the political and legal uncertainty in order to have a wider vision of what the entrepreneur could find or go through once having a business in Brazil.



Compliance and Corruption

It cannot be denied that corruption has been a longstanding and systemic challenge for entrepreneurs in Brazil. Historically, it has permeated various levels of business activity — from minor payments to expedite administrative processes, such as issuing business licenses, to large-scale bribery schemes involving millions of dollars and aimed at securing lucrative government contracts.

Since the 1990s, however, the international anti-corruption landscape has shifted significantly, particularly with the active enforcement of the U.S. Foreign Corrupt Practices Act (FCPA) and the adoption of the OECD Anti-Bribery Convention, which came into effect in 1999.

These global developments have influenced important legal reforms in Brazil since the end of the 1990's, in particular regarding the fight against organized crime, money laundering and corruption. Brazil has adopted a sophisticated anti-money laundering legislation, aligned with international standards. The country also developed a rather thorough controls and enforcement mechanism under the responsibility of the Brazilian Central Bank. The adoption by Brazil of certain international treaties, including the OECD Anti-Bribery Convention, has led to the implementation of new laws and regulations, including, in 2013, the Law on Criminal Organizations and the Brazilian Anti-Corruption Law, also known as the "Clean Company Act".

The Clean Company Act entered into force on January 29, 2014. Since then, companies operating in Brazil have been subject to a "strict liability" regime for acts of corruption. This means that an organization may be held accountable for corruption actions carried out on its behalf or for its benefit, regardless of whether it acted with intent or negligence. For example, if a company hires a third party (such as an agent) who offers a bribe to a public official to secure a commercial advantage, the company may be held liable for the agent's conduct, irrespective of knowledge about the acts of corruption.

Violation of the Clean Company Act may lead to severe penalties, including fines up to 20% of the annual turnover and debarment, which may include the prohibition to participate in public tenders or receive financing from public banks. In 2022, Brazil updated its anti-corruption framework with the introduction of Decree No. 11,129, replacing the previous regulation under Decree No. 8,420/2015. For foreign business owners looking to establish a company in Brazil, it's important to be aware of this new legal landscape, especially regarding corporate integrity and compliance.

The new decree provides clearer guidelines for administrative procedures and introduces more specific criteria for evaluating compliance programs. It emphasizes the importance of top-level commitment, requiring that company leadership allocate appropriate resources and actively support compliance initiatives. It also requires companies to conduct regular training, implement effective risk management, and perform due diligence when working with third parties - particularly those considered politically exposed.

Additionally, the decree clarifies how sanctions are applied and how mitigating factors - like the presence of a strong compliance program - can reduce penalties. These changes aim to offer greater legal certainty, transparency, and predictability in Brazil's business environment, making it more aligned with international best practices. For Dutch businesses, adopting a solid compliance structure from the beginning can not only ensure legal conformity but also serve as a strategic advantage in the Brazilian market.

Dispute Resolution

Parties have a choice between state courts, arbitration, and mediation to resolve disputes in Brazil. There are, however, some important issues to consider before choosing one of these methods.

State courts

The Brazilian judicial system is independent. Since the Constitution of 1988, judges are appointed after passing a public exam, except for the Supreme Courts Justices, who are appointed by the President, after the approval by the Senate House.

Proceedings before Brazilian courts can be long and complex as there may be several appeals before a final decision is made. Brazil is a country of continental dimensions with significant cultural and economic differences between regions. As a result, legal disputes may have different outcomes depending on the specific region. However, one of the functions of the Superior Court is to harmonize eventual contradictory decisions given by local courts to avoid different interpretations of the law and unpredictability.

If the parties to an international contract do not want to have their disputes being settled by Brazilian courts, it is possible to have the contract governed by the laws of another country and submitted to the jurisdiction of foreign courts. As a rule, Brazilian courts will regard this choice of law and jurisdiction as valid, except in cases where the jurisdiction of Brazilian courts is mandatory (i.e., disputes regarding properties in Brazil).

However, in cases where it is likely that there will be a need to enforce a judgment against a Brazilian party it is recommended to have the dispute submitted to Brazilian courts. A foreign judgment can be enforced in Brazil, but it must be submitted first to the Superior Court of Justice to be recognized before it can be enforced. This procedure can take some time and be prejudicial to parties that are looking for a prompt enforcement of a decision, especially because there are, for example, very limited legal alternatives for attaching assets of the debtor before the start of an execution process.



Arbitration

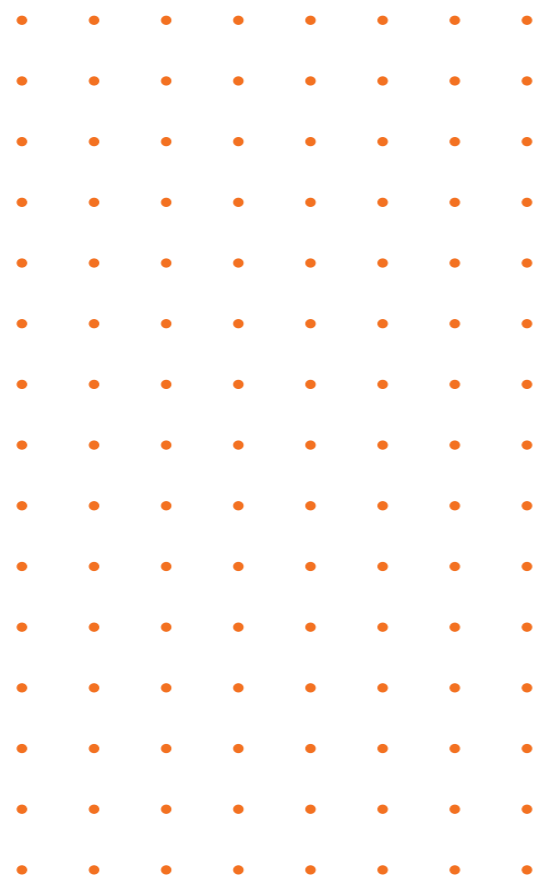
Arbitration constitutes a highly suitable and frequently adopted mechanism as an alternative dispute resolution method. Brazil is a signatory of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and the national law on arbitration (which was enacted in 1996 and later changed in 2015) reflects the pro-arbitration scenario.

If the parties choose arbitration, the contract must have a well-drafted arbitration clause, addressing, among other aspects, the applicable law, seat of arbitration, administering institution, and number of arbitrators—to ensure that the clause will be enforceable. Specific legal requirements might apply for disputes involving labor or consumer law and for contracts signed with the Brazilian government or public entities.

When the seat of arbitration is in Brazil, the award can be enforced directly by Brazilian courts. On the other hand, a foreign arbitral award must be recognized first by the Brazilian Superior Court of Justice (STJ) before it can be enforced. Therefore, if it is likely that the award will have to be enforced against a Brazilian party, it is recommendable to have Brazil as the seat of arbitration. Parties can agree on the applicable law: they can either choose Brazilian law or the national law of another country. Parties are also free to choose the language in which the arbitration will be conducted, which can be a foreign language such as the English language. There are several reputed arbitration institutions in Brazil.

Despite arbitration being traditionally seen as the preferred method for resolving complex commercial disputes, there has been a growing tendency among companies to opt for state courts - even in contracts involving substantial amounts. This shift is driven by increasing concerns over the high costs, lengthy duration, and reduced legal predictability of arbitral proceedings.

At the same time, certain Brazilian courts - particularly in São Paulo, Rio de Janeiro, and Minas Gerais - have undergone significant institutional improvements, including the establishment of specialized business chambers. These courts offer well-trained judges with deep expertise in corporate and commercial matters, which has enhanced the efficiency and reliability of judicial resolution in these jurisdictions. As a result, state courts are becoming an increasingly attractive option for dispute resolution, especially in major urban centers.



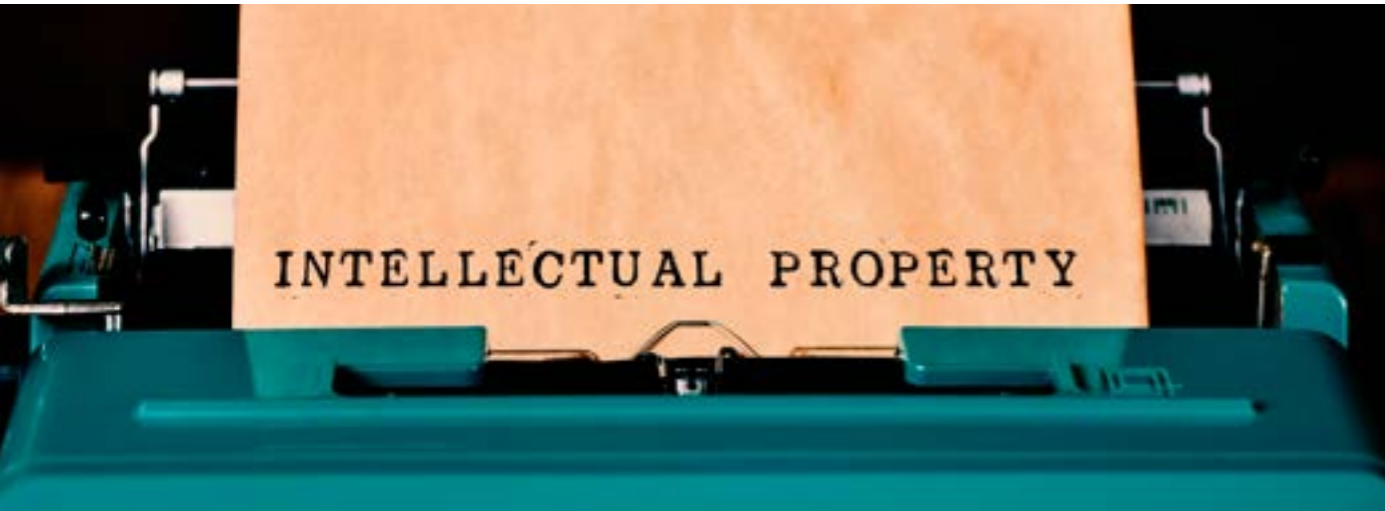
Mediation

Mediation is another alternative dispute resolution mechanism expressly regulated under Brazilian law by the Mediation Law (Law No. 13,140/2015). It offers a consensual and confidential process that, in many cases, can be faster and less costly than judicial proceedings or arbitration.

Although still less commonly used in complex commercial disputes, mediation remains a fully valid and legally recognized instrument—particularly suited for parties seeking to preserve long-term business relationships or to resolve disputes in a more collaborative manner.



Intellectual Property



Brazil has traditionally respected intellectual property rights since its independence as a nation. It was one of the 14 original signatory countries of the Paris Convention for the Protection of Intellectual Property Rights, adopted in 1883. Since then, the system of protection of intellectual property rights has always been embedded in the Brazilian legal system and has evolved in accordance with internationally accepted standards in the protection of intellectual property rights.

In large urban centers, there are courts specialized in intellectual property matters that are reputed to be very technical and protective of right owners.

The Brazilian legislation on the protection of industrial property rights (patents, trademarks, industrial design, etc.) dates of 1996. The agency responsible for the registration of industrial property rights is the Brazilian Institute on Industrial Property, the INPI. Registration of a patent offers protection against patent infringement for a period of 20 years (counted from the deposit) and registration of trademark offers protection for renewable periods of 10 years, counted from the registration.

Under the Brazilian legislation, the rights deriving from the creation of software programs are treated as a copyright. A copyright over a software program may be registered with the INPI, but such registration, in itself, does not offer a protection against the use of the software by third parties.

The registration may, however, serve as evidence of the authorship of the software, in case third parties contest it.

The INPI also registers contracts relating to the transfer of technology (such as trademark licensing, franchise, technology transfer, among other). Although the registration of such contracts is not required by law, it is necessary (i) for the contract to produce effects against third parties, which is essential in an enforcement procedure (ii) to allow the remittance of royalties to right holders located abroad (iii) for the deductibility of royalties for income tax purposes. It is important to note that, based on the tax legislation and the rules issued by the Central Bank relating to international money transfers there are limits (varying from 1 to 5% of the revenue generated with the respective technology) for the deductibility of royalties for tax purposes and for the remittance of royalties to companies located abroad, in particular to related companies.

Labor & Employment Law

Labor and employment matters are mainly ruled by the Federal Constitution and The Labor Law Consolidation ("CLT"). The Labor Legislation is a protective legislation and serves as regulation of employment and other types of labor relationships.

The employees have basic rights that are granted by law such as a maximum 44-hour work week, overtime payment, paid vacation days, Christmas bonus (13th salary), FGTS (Guarantee Fund for Length of Time), among others. Even though the Brazilian Labor Legislation is known to be very protective, employees can be made redundant without any just cause, i.e. the employer may dismiss its employees without having to justify or prove the reason for the dismissal, with very few exceptions (tenure due to pregnancy, work accident, etc.).

In case of termination without just cause the employee will be entitled to a few rights such as prior notice (30 days), vacation days that were acquired during the employment agreement plus 1/3 compensation, an indemnity equivalent to 40% of all FGTS deposits, etc.

Moreover, it is important to highlight that labor relations may also be regulated by collective bargaining agreements (CBAs), which shows the key role unions play in Brazil. Collective bargaining agreements allow companies to establish different types of shifts, compensation of overtime work and to implement benefits that better fit the reality of its employees, among other advantages for all parties involved.

Also important to mention that, under Brazilian labor law, the employment relationship is governed not only by the terms formally agreed upon in contracts or policies, but primarily by the actual conditions observed in practice. This is known as the 'primacy of reality' principle, whereby the real dynamics of the

employment relationship and the Brazilian labor law will prevail over written agreements. This principle reinforces the need for consistency between documentation and day-to-day practices in the workplace.

Employers must be aware that contributions to social security have a high impact on payroll and may affect costs with personnel. Outsourcing is permitted by law and may be used in all companies' activities.

Companies are monitored by the Labor and Employment Ministry that, among other things, may fine companies in case of any irregularity found. Also, the Labor Prosecutor's Office may act to enforce the labor legislation whenever a matter of public interest is involved.

All in all, it is crucial that companies are well advised on labor matters to prevent any violations of the law and to make sure labor relations are well managed.



Migration

Brazil's immigration law is in force since 2017 and is considered one of the most progressive in the world due to its humanitarian and inclusive approach. While many countries have adopted increasingly restrictive policies, Brazil stands out by offering multiple pathways for immigration regularization.

Brazil's legislation offers an advanced response to the complexities of the current migration landscape. The country recognizes different forms of connection to its territory and ensures real opportunities for regularization, including employment, education, marriage, the birth of a child on Brazilian soil, medical treatment, or volunteer work. This places Brazil in a distinct position globally, especially when compared to the setbacks seen in other countries. Brazil is also moving toward more sustainable policies, such as the anticipated creation of the green visa aimed at professionals working in the low-carbon economy.

Brazil offers a wide range of immigration pathways for foreign workers, investors, executives, and digital professionals. Choosing the right visa type requires careful consideration of the applicant's business structure, goals, and activities in Brazil. Legal guidance is highly recommended for both companies and individuals navigating the Brazilian immigration process, ensuring full compliance with local laws and regulations.



Foreign professionals and investors looking to engage in business activities in Brazil must apply for a visa that aligns with their intended role. The most relevant visa categories for business purposes are:

Temporary Work Visa

The Temporary Visa, known as Work Visa, is granted to foreign nationals who intend to carry out professional activities in Brazil, enrolled in local or foreign payroll. It applies to a range of business-related roles, including executives, managers, technical specialists, and intra-company transferees. This visa does not always require a Brazilian employment contract but does demand a formal link between the foreign national and the Brazilian company or organization sponsoring the work permit.

There are different subcategories within Temporary Visa, depending on the nature of the work and the type of employment relationship. Each one has its own set of requirements and conditions: (i) for CLT hires, a signed labor contract is required, and the "2/3 Rule" mandates that at least two-thirds of the workforce of the company is Brazilian, also, the visa is valid for up to two years, with the possibility of applying for permanent residence; (ii) for technical service providers, the visa is typically valid for one year, renewable once, and the professional must remain employed abroad. A temporary visa is also required for professionals intending to enter Brazil to provide or to receive training, offshore workers, study (for periods longer than 90 days), and any kind of working activity.

Regardless of the specific situation, the following general requirements apply to all Temporary Visa cases:

- A business justification must be provided, including a description of the activities to be performed and why a foreign national is required.
- The foreigner must demonstrate professional qualifications or experience relevant to the role.
- The Brazilian company must be duly established in the country and in good standing with labor authorities.
- The foreigner must hold health insurance with coverage in Brazil.
- Once the residence authorization is granted by the Ministry of Justice, the foreign national must apply for the visa at a Brazilian consulate abroad.

It is also important to notice that a change in role, employer, or scope of work during the validity of the visa may require notification of authorities or a new residence authorization. For this reason, immigration planning should be aligned with the foreign professional's intended activities in Brazil, and corporate structure should be carefully considered—especially for multinational companies or foreign-controlled Brazilian subsidiaries.

Permanent Residency following investment

Foreign investors who wish to reside permanently in Brazil can obtain permanent residency by making a direct personal investment in a Brazilian company. Institutional investors may obtain permanent residency for executives appointed by them to manage their Brazilian investments. The requirements and procedures vary depending on the amount of investment and the type of business the investor plans to establish or support.

To obtain permanent residency through direct investment, the following basic requirements must be met:

- **Minimum Amount for Personal Investment:** The investor must inject a minimum amount of capital into a Brazilian company. The required investment depends on the nature of the business and the sector: (i) R\$ 500,000.00 minimum investment in a Brazilian company for most businesses; and (ii) R\$ 150,000.00 minimum investment for startups or innovative businesses, as per Normative Resolution No. 13/2017, which encourages investment in technological sectors and emerging industries.
- **Minimum Amount for Corporate Investment:** When a foreign entity invests a minimum amount of capital into a Brazilian company, the required investment should be of (i) R\$ 600,000.00 minimum investment in a Brazilian company for each indicated foreign professional to manage investment; or (ii) R\$ 150,000.00 or higher plus the creation of 10 new jobs in the period of 2 years, as per Normative Resolution No. 11/2017.
- **Type of Investment:** The investment can be made in an existing company or in a new company. For new businesses, the investor must demonstrate that the business will generate jobs or contribute to technological innovation. For existing businesses, the assessment focuses on the impact of investment on the company's operations, particularly regarding employment creation or technological development.
- **Economic Impact Proof:** The individual investor must provide a business plan demonstrating how the investment will positively impact the Brazilian economy, such as through job creation or technology development. This plan will be evaluated by Brazilian authorities to assess its feasibility and economic contribution.

Permanent residency can apply to various types of investors and business activities. Here are some key profiles and situations:

- **Individual Investor:** This is the most common scenario where the foreign national makes a direct financial investment in a Brazilian company.
- **Administrator:** Permanent residency may be obtained for the foreign individual that holds a position as a director or administrator of the company, formally registered in the company's bylaws. This is common for individual investors who wish to actively engage in the business and its management or institutional investors that wish to appoint a foreign individual to manage their investment in Brazil.
- **Investment in Existing vs. New Companies:** This permanent residency option applies to both investments in existing companies and those that create a new business in Brazil. For new businesses, the investor needs to submit a detailed business plan that shows how the venture will contribute to the Brazilian economy, either by creating jobs or introducing innovative technologies.

One of the main benefits of this investment-based visa is that it grants permanent residency in Brazil (except for the ones requiring proof of jobs creation within 2 years), which allows the investor or executives to live and work in the country indefinitely. This includes the ability to manage companies, participate in other business ventures, and even bring family members to reside in Brazil.

Permanent residency may also be obtained for dependents (spouse, children, etc.) during the immigration process, making it easier to bring family members to Brazil.



Digital Nomad Visa

The Digital Nomad Visa is a special visa designed for remote workers employed by foreign companies who wish to live in Brazil while continuing their professional activities abroad. This visa provides an opportunity for individuals in various fields, such as technology, marketing, design, consulting, and others that can be done remotely, to reside legally in Brazil without needing to be employed or remunerated by a Brazilian company.

To be eligible for the Digital Nomad Visa, applicants must meet a set of specific criteria that highlight the nature of their remote work and financial independence:

- **Remote Employment with a Foreign Company:** The applicant must prove they are employed by a company located outside of Brazil or working as a freelancer with international clients.
- **Proof of Sufficient Income:** The applicant must demonstrate they can financially support themselves during their stay in Brazil.
- **Health Insurance:** As with most types of visas, applicants must show proof of health insurance that covers their stay in Brazil. This ensures that they will be able to access medical services during their time in the country.
- **Tax Compliance:** The applicant should not have any outstanding tax obligations or legal issues in Brazil.

The Digital Nomad Visa is generally issued for a period of one year. However, it is renewable depending on the applicant's continued eligibility and the specific terms of their remote work arrangements. Renewal is usually straightforward, applied at the Ministry of Justice, provided the individual is still employed with the foreign company or maintaining their freelance activity.

Registration Requirement

Foreign citizens admitted in Brazil, on a temporary or permanent condition, must register in the Federal Policy within 90 days after their arrival in the country. The document given to this citizen is the CRNM (Carteira de Registro Nacional Migratório), and it is used to identify their residence status.

3.3 Steps of setting up a business

Traditionally, Brazilian legislation is rather demanding with respect to the legalization of documents, in particular when such documents must be submitted to governmental agencies.

When it comes to foreign documents, companies need to follow the correct procedure for the document to be valid. Brazil and The Netherlands are signatories of the Apostille Convention which means that Dutch documents need to be apostilled in The Netherlands to be valid in Brazil. Afterwards, the document needs to be translated in Brazil by a sworn translator.

In recent years, starting a business in Brazil has become more accessible. The procedure is made online and it requires the assistance of a lawyer and an accountant. It can take an average of about one to two weeks, or longer, depending on the location where the company will be registered and the type of business activities, which might require further licenses from the federal or local government.

If the company plans on hiring local employees, it is crucial to follow all the steps for employee registration and to comply with Brazilian legislation to minimize risks of labor suits.



Procedures

To incorporate a company in Brazil:

1 - Legal Representative

To become a shareholder in Brazil, a foreign individual or entity must appoint a legal representative in Brazil. He or she can either be a Brazilian national or foreign national who is resident in Brazil. The legal representative will be responsible for receiving any summons in the name of the foreign shareholder and for acting before government authorities to sign corporate documents.

Recent changes to Brazilian corporate law now permit the appointment of non-resident directors in Brazilian companies. The sole requirement is that the director must designate a legal representative (attorney-in-fact) in Brazil to receive official summons and legal notices on their behalf.

2- Issuance and granting of private power of attorney

To establish a company in Brazil as a foreigner residing abroad, a power of attorney (POA) must be granted to a local representative. This representative must hold a valid CPF (Brazilian tax ID) and be a resident in Brazil, as they will be responsible for handling legal and bureaucratic procedures, as well as receiving official notices on behalf of the company.

If a non-resident Director is appointed, an additional power of attorney will be required. The POA must be notarized and apostilled in the country of origin under the Hague Apostille Convention. Once authenticated, the document must be translated by a sworn translator in Brazil to ensure its legal validity in the country.

3- Local Registration for the Foreigner Investor

The foreign company or investor must be registered with the Federal Tax Authority and the Central Bank to obtain a CNPJ (for legal entities) or a CPF (for individuals).

4-Choice of State and Location

The selection of the state and municipality for company registration should consider factors such as tax incentives, infrastructure, operational costs, and proximity to suppliers and customers, ensuring the location aligns with the business goals.

5- Name Availability and Viability Check

Before registration, it is necessary to verify the availability of the company name and the feasibility of the planned activities in the chosen location, in accordance with local regulations.

6- Local Company Registration

After all steps above, the company to be incorporated must be registered with the Commercial Registry, obtain its CNPJ with the Federal Revenue Service, and comply with tax and regulatory requirements.

7- Application for Licenses and Permits

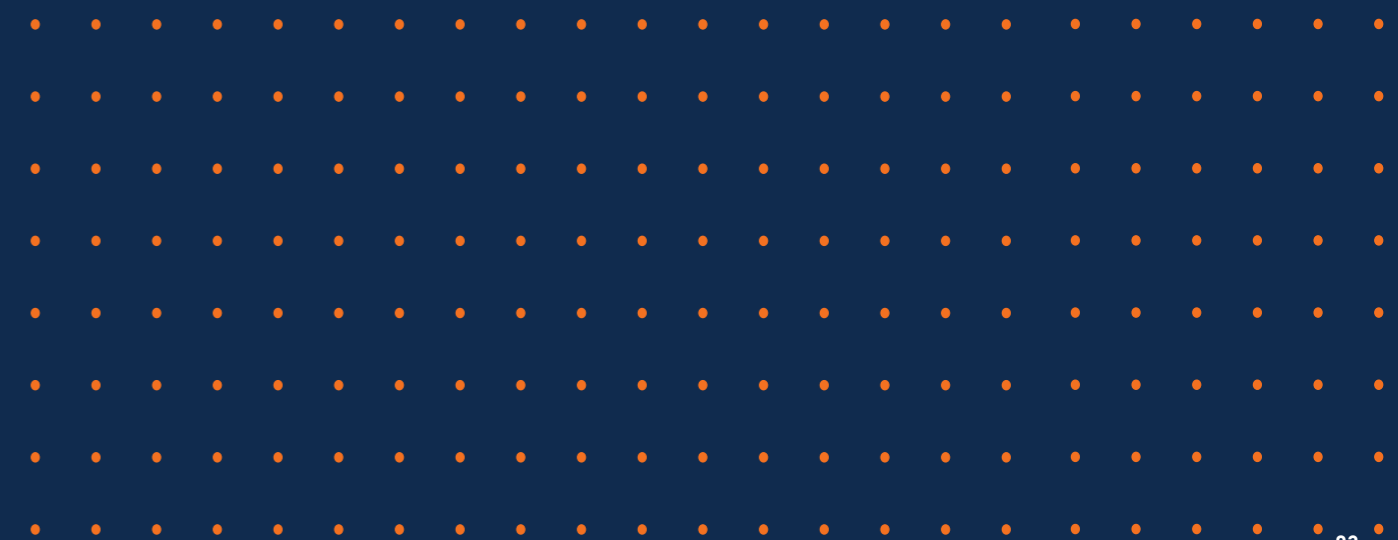
Depending on the company's activity, permits from municipal, state, and federal authorities may be required to ensure legal operation.

8 - Obtaining a Digital Certificate

A digital certificate is essential for electronic document signing and invoice issuance, ensuring security and legal validity for the company's operations.

To close a company in Brazil:

The procedure to close a company in Brazil will depend on the legal and financial status of the entity at the time the decision is made — such as the existence of outstanding debts, liabilities with creditors, pending lawsuits, or tax obligations. As a rule, the company must not have any tax debts, and its accounting records must be duly updated and compliant. The closing process includes approval by the shareholders or partners, publication of the dissolution decision, settlement of all assets and liabilities, payment of any pending labor obligations, deregistration with tax and regulatory authorities, and formal filing with the Board of Trade. If there are disputes or insolvency issues, a judicial or extrajudicial liquidation process may be necessary. The complexity and duration of the closure will vary depending on the company's structure and obligations.



Business Entities

There are mainly two types of companies that can be incorporated in Brazil:

Corporation “Sociedades Anônimas” (S.A)

The Sociedade Anônima (S.A.) in Brazil is similar to the Naamloze Vennootschap (NV) in the Netherlands, as both structures are typically used by larger corporations and investment ventures. These corporate forms are especially suited for companies looking to raise capital through the issuance of shares.

Key Features:

1. Limited Liability:

Similar to the NV, shareholders in a S.A. are only liable for the value of the shares they hold. This limits their financial exposure, protecting their personal assets in the event of the company's insolvency.

2. Types of Corporations:

There are two main types of S.A. in Brazil:

Closed Corporation (S.A. de Capital Fechado):

In this form, shares are not publicly traded, and the company is owned by a small group of investors, much like a private NV.

Open Corporation (S.A. de Capital Aberto):

This type is akin to a publicly traded NV, where shares are listed on the stock exchange, enabling the company to attract capital from a broad range of investors, both public and institutional.

3. Capital Requirements:

One of the notable differences between the S.A. and other corporate structures in Brazil is the capital requirement. For a closed corporation, there is no minimum capital requirement, offering flexibility to investors.

However, for an open corporation, if the company intends to list its shares on the stock exchange, the Brazilian Securities and Exchange Commission (CVM) mandates a minimum capital investment of R\$ 1 million.

For S.A., whether publicly held or closely held, the incorporation act must reflect the payment of at least 10% of the capital stock when the incorporation is filed. This differs from limited liability companies (LTDA), where the capital contribution can be made after incorporation.

4. Capital Raising:

Both the S.A. and the NV provide opportunities for raising substantial capital. While the S.A. de Capital Aberto offers the potential for public investment, it is subject to rigorous regulations by the CVM. The S.A. de Capital Fechado, on the other hand, operates privately and has fewer regulatory requirements, offering more control to its shareholders.

5. Corporate Governance:

Similar to the NV, the S.A. can provide a structured governance model, with a Board of Directors overseeing strategic decisions and an Executive Board managing daily operations, such as other corporate governance bodies. This structure can ensure transparency and accountability, which is crucial for maintaining investor confidence.

Limited Liability Companies Sociedade por Quotas de Responsabilidade Limitada” (Ltda.)

This is the most common type of legal entity chosen by foreign investors in Brazil. It can be compared to a besloten vennootschap (BV) in The Netherlands. The company is liable for its debts and any liability of the shareholders is limited to their shares in the company.

Since 2019, a LTDA. company can be established by one-shareholder only and no minimum capital is required. This type of company is usually less bureaucratic than a S.A., and less expensive for its incorporation and day to day corporate operations.



Finance System

Brazil is reshaping its financial future. Backed by a solid regulatory structure led by the Central Bank, the country has embraced innovation through PIX, open finance, digital banks and the upcoming digital real (DREX). Recent reforms and fintech-friendly policies are fueling competition in a market historically dominated by a few large incumbent players, making Brazil one of the most dynamic financial ecosystems in emerging markets.

The financial sector in Brazil is essentially composed of regulatory bodies, such as the National Monetary Council (Conselho Monetário Nacional – CMN) and supervisory bodies, such as the Central Bank of Brazil, the Brazilian Securities Commission (Comissão de Valores Mobiliários – CVM), among others.

The CMN is the highest authority in the Brazilian financial system and is responsible for formulating monetary and credit policies, with the goal of promoting the economic and social development of Brazil. The CMN is chaired by the Minister of Finance and is also composed by the Minister of Planning, Budget and Administration and the Governor of the Central Bank.

Brazilian law also granted powers to the Central Bank to implement the monetary and credit policies drawn up by the CMN. Under its legal prerogatives,

the Central Bank is responsible for exercising control over credit and foreign capital, receiving compulsory withholdings and voluntary demand deposits of financial institutions, executing rediscount transactions, as well as acting as a depository of gold and foreign currency reserves. The Central Bank is also responsible for approving the incorporation, operation, changes in control and corporate reorganizations of financial and payment institutions. In addition, it holds regulatory, supervisory and enforcement powers over payment and financial institutions.

The retail banking market in Brazil remains highly concentrated. A limited number of large banks — both privately and publicly owned — still dominate the sector, while a relevant number of small and medium banks operate on the margins. However, in recent years, the Central Bank has acted as a catalyst for innovation in the Brazilian financial system, aiming to promote competition by fostering favorable conditions for the emergence of companies that integrate financial services with technology, ultimately giving rise to a robust fintech sector. Today, Brazil's financial and payment landscape is characterized by a dynamic and innovation-driven environment.

Such modernization of Brazil's financial sector began in 2013, with the established of a regulatory framework for electronic payments and introduction of the payment institutions. This evolution continued in 2018 with the creation "lighter" financial institutions (credit fintechs) — the Direct Credit Company (SCD) and the Peer-to-Peer Lending Company (SEP).

One of the most significant recent developments in Brazil's financial system is PIX, the Central Bank's instant payment platform launched in 2020. Operable 24/7 and government-owned, PIX enables real-time transfers between deposit and payment accounts — including digital wallets — with no cost to individuals and minimal fees for businesses. Participation is open to a wide range of institutions, either directly or through indirect connections. Building on its success, the Central Bank is expanding PIX functionalities with new features such as automatic payments, scheduled payments, PIX in installments and PIX with guarantees.

Brazil has recently taken important steps toward the future of finance through a series of forward-looking initiatives. The creation of a comprehensive Open Finance framework has broadened the scope of data sharing across the financial system, reinforcing the Central Bank's agenda of fostering competition, transparency and innovation. At the same time, the pilot of the digital Brazilian real (DREX) places the country among global frontrunners in the development of central bank digital currencies, with a focus on supporting tokenized assets and programmable payments. These developments are complemented by the enactment of Brazil's crypto-asset legal framework, which establishes regulatory clarity and assigns oversight to the Central Bank — signaling a strong commitment to building a modern, secure, and innovation-driven financial ecosystem.



Banking

Brazil has recently adopted new rules aimed at simplifying and modernizing the framework applicable to foreign investments. The goal is to promote greater efficiency, transparency and alignment with international best practices, ultimately making the country a more attractive and stable destination for foreign capital.

Brazil currently offers a more open and welcoming environment for foreign investments. The shift toward simplicity, legal certainty and operational efficiency represents a strong signal of the country's commitment to attracting and retaining international capital.

While international capital remains subject to certain Central Bank rules, the focus is no longer on restricting capital flows.

Instead, regulations aim to ensure transparency, support anti-money laundering (AML) policies, and generate reliable economic data. In this new and modern framework, regulation is designed to monitor, not control, cross-border investments, in line with the best global standards.

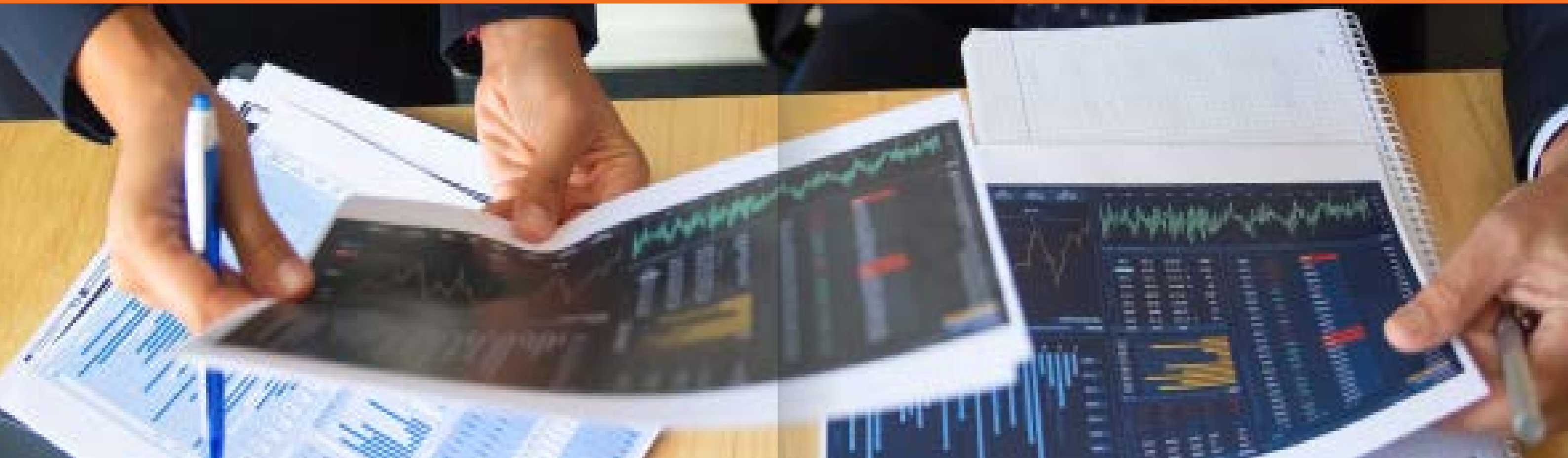
Since January 2025, Brazil has adopted a new regulatory framework for non-resident investments in its financial and capital markets. The new rules simplify entry procedures, eliminate unnecessary requirements, such as the need for a local representative or registration with the CVM for certain investors, and align onboarding requirements for residents and non-residents. They also expand the use of non-resident accounts in local currency, provided the funds are of the investor's own origin.

In the case of foreign direct investment, the new framework significantly eases operational and reporting requirements. Investors are now only required to submit information to the Central Bank when transactions exceed specific thresholds, such as capital contributions or corporate changes above USD 100,000. The process is also more dynamic, with periodic reporting consolidated into standardized digital filings, making it easier for companies receiving foreign capital to remain compliant.

After incorporating a legal entity in Brazil, it is essential to open a bank or payment account with a financial or payment institution to receive and make payments. Despite banking services having been concentrated for decades among a few large local retail banks, with foreign-owned banks playing a more limited role, mainly in corporate lending and investment banking, the Central Bank has been actively pursuing measures to foster competition in the financial sector. As a result, the range of options available to companies has broadened, including payment institutions and digital banks, which are now emerging as viable and often more accessible alternatives.

Know-your-customer (KYC) procedures in Brazil can still be time-consuming, and local institutions often request a wide range of documentation, occasionally requiring legalization or notarization of foreign documents. However, since 2020, Central Bank regulations have adopted a risk-based approach, allowing institutions greater flexibility to tailor requirements based on the client's profile and risk level.

It is important to note that opening a bank account may take some time. When possible, it is advisable to begin engaging with local banks even before the Brazilian entity is formally incorporated, in order to streamline the process. Brazil has a modern and digitized financial system, with online banking widely available.



Money transfer

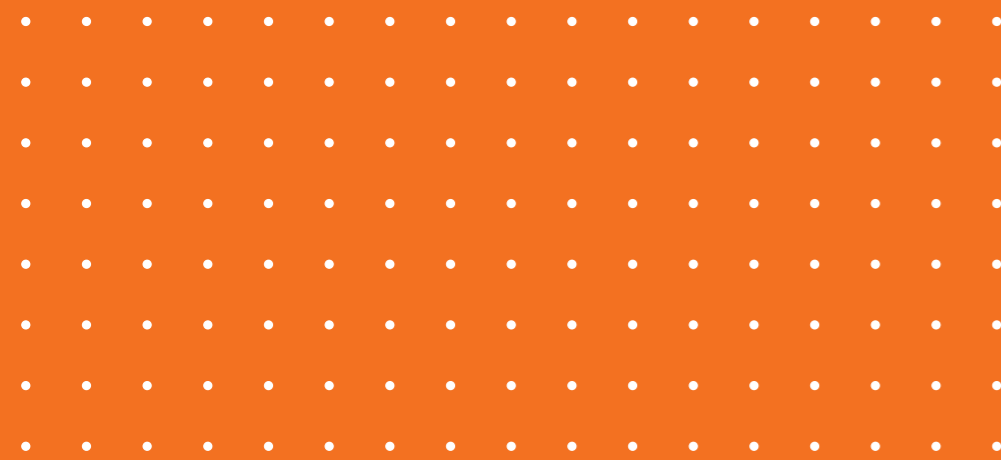
In Brazil, there are no restrictions on transferring funds into or out of the country. Foreign exchange transactions may be conducted freely, without value limits, and exchange rates can be freely negotiated between the parties. However, transactions involving international money transfers must be intermediated by an institution authorized by the Central Bank of Brazil to operate in the foreign exchange market, such as regular banks or brokers. Although the process traditionally involved a certain degree of bureaucracy and required careful preparation and organization, recent regulatory changes have significantly streamlined procedures, making transactions cheaper, faster and more efficient.

The Brazilian foreign exchange market was long governed by fragmented and outdated legislation, with some rules dating back to the 1950s and 1960s — a framework that no longer reflected the reality of Brazil's increasingly dynamic and globalized economy.

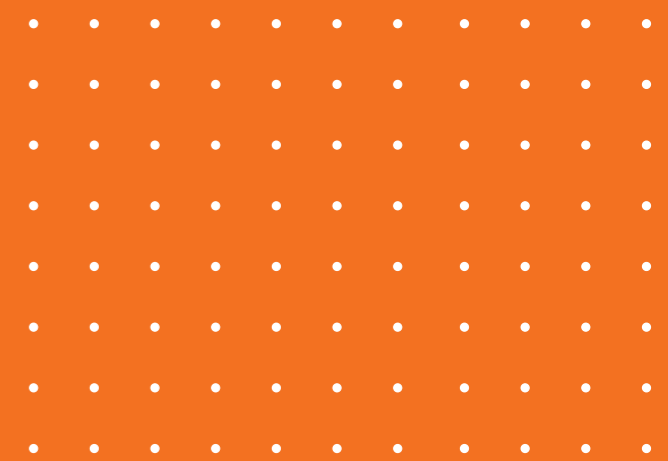
This situation created an urgent need for a more modern, integrated and flexible regulatory framework. In response, Brazil enacted a new foreign exchange law (Law No. 14,286/2021) consolidating the scattered rules and setting clear general principles for the operation of the foreign exchange market.

Prior to this reform, the foreign exchange environment in Brazil was known for strict controls and heavy regulatory burdens, which often resulted in higher transaction costs for investors. The new framework introduces much-needed modernization, reducing bureaucracy, simplifying procedures and fostering a more open and competitive market — an important step toward attracting greater foreign investment.

Key changes introduced by the new framework include: (i) freedom in the form of executing foreign exchange transactions, eliminating the requirement for standardized contract templates; (ii) greater autonomy for authorized institutions to define whether and when to request supporting documentation, based on the client's profile and a risk-based assessment of the transaction; (iii) simplification and reduction of foreign exchange classification codes, with the responsibility for classification now placed on the client; (iv) more flexible, selective, and efficient mechanisms for the Central Bank of Brazil to collect information for macroeconomic statistics; and (v) expansion of the range of institutions authorized to operate in the foreign exchange market, including payment institutions, and of new business models, such as the use of non-resident accounts, promoting increased competition and efficiency in the sector.



All such changes contribute to the simplification and rationalization of exchange contracts, registrations, codes and reports, taking into account reasonable compliance costs, resulting in better and less expensive services. Still, proper planning remains important: before making money transfers into or out of Brazil, investors should confirm with their bank or authorized institution what information and documentation will be required, helping to avoid unexpected delays and ensuring a smoother transaction.



Finally, it is important to note that foreign exchange transactions may trigger the application of certain taxes, such as the tax on financial operations (IOF). As such, a prior assessment of the tax implications of each transaction is highly recommended.

Tax Landscape

Taxation in Brazil is primarily governed by the Federal Constitution of 1988 and the National Tax Code (CTN). The tax framework applies to all Brazilian residents and legal entities operating in the country, including corporations, limited liability companies, partnerships, and branches of foreign companies.

Brazil's tax system is notoriously complex, driven by the coexistence of federal, state, and municipal tax authorities, each with the power to impose and collect taxes. The result is a high tax burden, particularly on consumption and production activities, often with restrictions on the use of tax credits.

Recent and Upcoming Developments

Indirect Taxes Reform

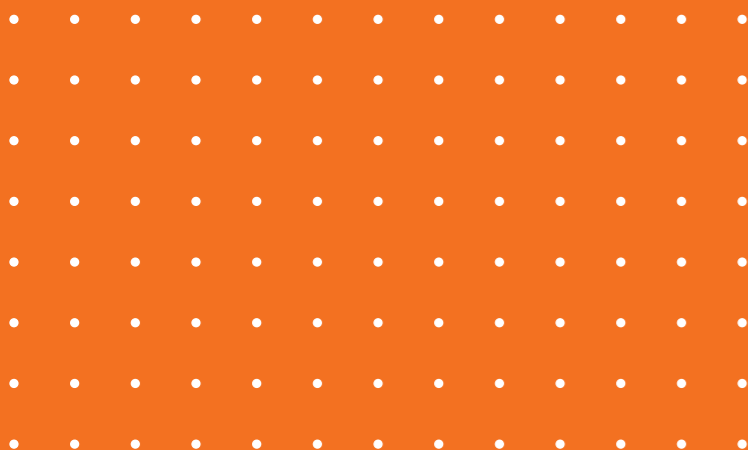
In 2023, Brazil approved a comprehensive tax reform on consumption. Key changes include the replacement of PIS and COFINS with CBS at the federal level, and ICMS and ISS with IBS at the state and municipal levels. The IPI will be maintained only for products manufactured in the Manaus Free Trade Zone. A new Selective Tax (IS) will apply to goods/services harmful to health or the environment. Implementation will occur between 2026 and 2033 with transitional rules and credit mechanisms.

Pillar Two (OECD Global Minimum Tax)

Brazil joined the OECD's GloBE framework with Law No. 15,079/2024, introducing a 15% minimum income tax on large multinational groups. Normative Instruction RFB n. 2,228 clarifies implementation. OECD Commentaries serve as interpretive tools, marking a shift toward international alignment. Transitional safe harbors are in place until 2026.

Transfer Pricing Reform

Brazil adopted the OECD's arm's length principle (ALP) through Law 14,596/2023. Transfer prices must reflect those set by unrelated parties in comparable transactions. Key comparability factors include contract terms, functions, assets and risks, product characteristics, market conditions, and business strategies.



Federal Taxes

TAX	BRIEF DESCRIPTION	GENERAL RATE
IRPJ	Corporate Income Tax on net profits of legal entities	15%, with a 10% surcharge over BRL 20,000/month (25%)
CSLL	Social contribution on net income of legal entities.	9% (15% for financial institutions)
PIS/PASEP	Contribution on gross revenue.	0.65% (cumulative) or 1.65% (non-cumulative)
COFINS	Contribution to social security.	3% (cumulative) or 7.6% (non-cumulative)
IPI	Tax on industrialized products.	0% to 300%
IOF	Financial transaction tax.	0.38% to 25%
CIDE	Levy on royalties and fuel/telecom operations.	10%
IRRF	Withholding tax on source income.	7.5% to 27.5%
IRPF	Personal income tax.	From 0% to 27.5%
ITR	Rural property tax.	0.03% to 20%
Import Duty	Tax on imported goods.	Varies by product
Export Tax	Tax on selected exports.	Currently 0%

State Taxes

TAX	BRIEF DESCRIPTION	GENERAL RATE
ICMS	VAT on goods, transport and telecom services.	4% to 25%, up to 30% for telecom
IPVA	Vehicle ownership tax.	1.5% to 4%
ITCMD	Inheritance and donation tax.	Up to 8%

Municipal Taxes

TAX	BRIEF DESCRIPTION	GENERAL RATE
ISS	Service tax.	2% to 5%
IPTU	Urban real estate property tax.	Varies by city and property value
ITBI	Tax on property transfers.	2% to 3%

Import & Export

When considering importing to Brazil or exporting from Brazil, it is important to take into consideration that Brazil is a rather closed economy from a perspective of international trade.

Brazil is a member of the WTO. However, in trade negotiations, Brazil has always been very reluctant in reducing tariffs for industrial products. In fact, high import tariffs have continuously been used by Brazil as an instrument of industrial policy, aiming at protecting the Brazilian industry against external competition.

Another important aspect of the Brazilian trade policy is that Brazil is a member of Mercosur. Mercosur is a customs union formed by Brazil, Argentina, Uruguay and Paraguay. The Mercosur countries have abolished customs duties for the circulation of products within the area (with some exceptions) and adopt a "common external tariff" or "TEC" for imported products coming from third countries. For most products, the "TEC" lies around 2 to 20% and varies in accordance with the complexity of the product (e.g., lowers tariffs for commodities and raw materials and higher tariffs for finished products). For most products, the average

import tariff adopted by Brazil is around 12 to 14%. Brazil applies a significant number of national exceptions to the TEC. As a result, the Mercosur is considered to be a "flexible" customs union and the level of economic integration between the countries is still rather low.

Also, Brazil adopts certain special customs regimes which may apply to certain import operations or certain industries, such as the oil and gas industry or the automobile industry. In addition, certain products may benefit from lower import duties (the so-called "ex tarifário") when there are no similar products that are produced nationally.

Accounting Principles

Brazil has aligned its accounting standards with the highest international benchmarks. Since 2010, Brazilian companies — especially publicly listed and large private corporations — prepare their financial statements in accordance with the International Financial Reporting Standards (IFRS).

The move towards global standards was driven by Corporate Law reforms (notably Law No. 11,638/2007) and the creation of the Brazilian Accounting Pronouncements Committee (CPC), which ensures that local rules reflect the latest IFRS developments. Regulatory agencies such as the CVM (Brazilian Securities Commission) and BACEN (Central Bank) enforce these standards.

Key points:

- Listed companies and financial institutions must apply full IFRS.
- Large private companies (assets over BRL 240 million or revenues above BRL 300 million) are also subject to IFRS or IFRS-aligned BR GAAP.
- Small and medium-sized enterprises have the option to use a simplified version, based on the IFRS for SMEs.
- Brazilian accounting practices today offer transparency, comparability, and credibility on the global stage. However, it is important to note that tax accounting follows separate, often more complex, rules — requiring specialized local knowledge.
- Ongoing updates from the IFRS Foundation — including new standards for revenue recognition, leases, and sustainability reporting — continue to shape the Brazilian accounting landscape. Companies must remain attentive to regulatory changes to ensure full compliance and operational excellence.

In short: Brazil speaks the same financial language as the rest of the world — but with local rules that need careful navigation.



The Brazilian congress approved in December 2007 (effective 1 January 2010) a law that set the path for the convergence of the BR GAAP to IFRS. The law established that accounting pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC) will have to be in line with the IFRSs issued by the IASB.



The CPC is made up by main bodies of the Brazilian capital markets, the accounting institutes, the BACEN and CVM. Its objective is to issue local enforceable accounting rules in line with the IFRSs as issued by IASB.

The CPC has its own due process, involving deliberations of the CPC members and public consultation before it issues standards. Afterwards, the pronouncements issued by the CPC must be endorsed by the government bodies and by the CFC in order to have legal effects and be applied by companies subject to regulation by the CVM, BACEN or CFC.

CPC has issued, and regulatory bodies have endorsed, substantially all BR GAAP standards equivalent to IFRSs and IFRICs, which became effective for financial statements for periods starting on or after 1 January 2010. As a result, BR GAAP substantially converged with IASB IFRSs.

Companies are required to follow the IFRSs as issued by the IASB.

"Side-by-side presentation" of consolidated FSs (under IFRS and BR GAAP) and individual FSs (under BR GAAP), in the same set of FSs, for Brazilian publicly listed entities are allowed, considering that the two frameworks are substantially equivalent.

Listed entities

All CPCs were endorsed by CVM, which means that all Listed Entities need to prepare their consolidated financial statements in accordance with IFRSs as described above.

Security In & Outside Business

Brazil has moved fast and safely to a new business environment direction since the outbreak of the “car wash” operation in the end of 2014. Many improvements are under way but to figure out what kind of risk management scenario we will find by the end of 2019 we will need first to understand what happened since then.

Brazil has had a history of an acceptable corruption symbiosis between public and family business and government entities and politicians. Being successful used to be measure by your capabilities to have the right relations with government officials, from the lead to the opposition parties. The common result of law enforcement investigations on corruption were prescription of the crimes, lack of proofs, procedural nullities.

Changes in this scenario started by the end of the 90’s, when the Brazilian government signed the first Multi-Lateral Agreement in crime investigation exchange with the US, followed by the anti-money laundering law. Later this first step was added with the OCDE agreements on banking data access, the creation of the COAF (FIU similar law enforcement body), the training and improvement of skills and IT tools for Judges, prosecutors, police officers and experts. The end of this process of changes culminates with the anti-corruption package signed by President Dilma Rousseff in June 2013, which brings to the table the plea bargain procedure.

The new investigative tools, new money laundering and corruption laws and trained law enforcement professionals on one side, with corruption acceptance by the same key players on the other side, was the right scenario for Brazil’s business environment change for a lifetime.

The years 2015 and 2016 will be known by the years of the law enforcement revenge. CEO’s of big Brazilian family businesses sentenced to jail, together with their operator’s money launders. Front companies, phony contracts and cartel transactions are revealed to the public. The criminals have no alternative than settle plea bargains to reduce their time in prison and lenience agreements to save their businesses.

The years 2017 and 2018 came with new investigations resulting from the original Car Wash operation, a group of politicians sentenced to jail and others being prosecuted for receiving bribes to support their election campaigns, and more interesting an incredible improvement in compliance awareness for operating in Brazil.

Responsible Business Conduct

Before establishing or expanding business operations in Brazil, companies are advised to make use of the MVO Risk Checker (<https://www.mvorisicochecker.nl>). This tool helps to identify and assess risks related to International Responsible Business Conduct (IMVO), particularly in the areas of human rights and environmental impact. With the entry into force of the EU Corporate Sustainability Due Diligence Directive (CSDDD) on 25 July 2024, large companies are now required to identify and address risks in their value chains. The CSDDD applies to EU-based companies with over 1,000 employees and annual revenues exceeding €450 million, as well as to non-EU companies that generate more than €450 million in EU revenue. EU-member states must transpose this directive into national law by 2026.

Other legislative developments, such as the upcoming EU Anti-Forced Labour Regulation, which is expected to be enforced by the end of 2027, as well as the EU Deforestation-Free Regulation (EUDR) further underscore the urgency for companies to implement robust due diligence measures. Using the MVO Risk Checker provides you, as a company, with a practical entry point for assessing potential supply chain risks and preparing for future legal obligations. Early risk identification enables informed decision-making and contributes to sustainable and compliant international operations.



4. *Shares & advice*

Insider Tips from our network experts



BPC PARTNERS

Attracting foreign investors is one of the greatest challenges — and opportunities — for Brazilian companies looking to grow, professionalize, and expand internationally.

For companies trying to invest and operate successfully in Brazil, it is important to:

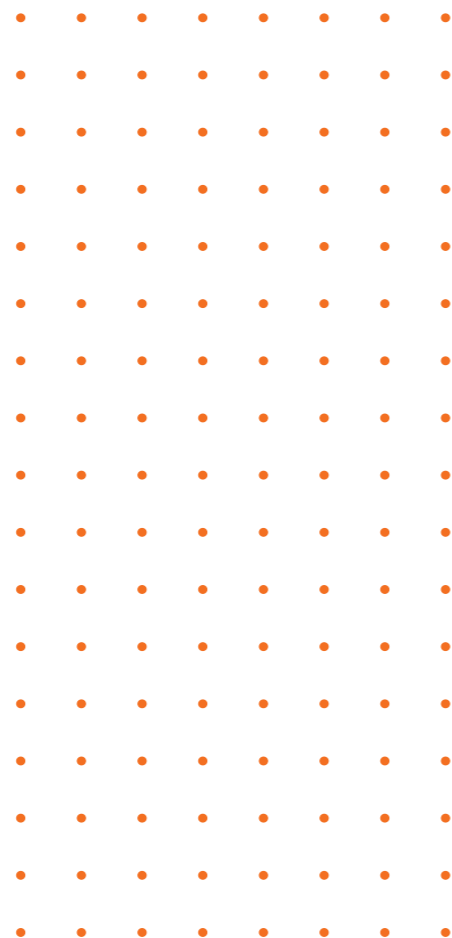
- Connect international accounting with local compliance and work on accurate, fair, and transparent reports. Bridging compliance with Brazilian authorities, while maintaining international standards is a must.
- Translate the Brazilian tax and legal impacts in a way foreign investors can clearly understand.
- Understand tax specificity: Brazilian taxes like PIS, COFINS, ICMS, IPI, and ISS have no direct equivalents abroad. These systems need to be explained to investors in an accessible and friendly language.
- Connect to a multicultural leadership: As communication is extremely important in the business world, bear in mind that partners with a multicultural perspective can more efficiently translate not only language — but business culture as well.
- Whether your company is seeking to raise capital or looking to invest in Brazil, speak the investor’s language while navigating the complexities of the Brazilian market with precision and confidence.



Information provided by:

Milena Nonato - BPO Partner at BPC

About: BPC Partners is an international BPO firm specialized in preparing companies to communicate with the global market. BPC Partners is a Small BIG4, with partners from the USA, Europe and Brazil, which offers legal representation, accounting, tax, payroll, due diligence, audit and consulting services, adapted to the needs of your business in Brazil — in Portuguese and English.



CLM CONTROLLER

As a main advice for companies who want to start doing business in Brazil, a solid and realistic business plan, with tax planning as a central element is necessarily required.



Brazil offers great opportunities, but its complex regulatory and tax environment demands careful preparation. Structuring operations without considering the impact of federal, state, and municipal taxes can compromise profitability and even the viability of the project. To succeed, companies must integrate tax, legal, and operational strategies from the beginning, engaging local experts early on. “In Brazil, tax is not a secondary concern — it is a strategic issue that must guide the entire business model.”

Furthermore, it is interesting to notice that Brazil offers a range of promising opportunities for business development in the coming years, driven by three main factors: the strength of its consumer market, the rapid digitalization of its population, and the growing momentum of the energy transition. With a population of over 200 million people and an expanding middle class, Brazil continues to be one of the largest consumer markets in the world. Sectors such as e-commerce, food and beverage, healthcare, and financial services are expected to experience significant growth, supported by increasing purchasing power and demand for quality products and services.

At the same time, Brazil has seen an accelerated adoption of digital technologies across all layers of society. From mobile banking to e-commerce and digital education, the Brazilian population is highly connected and open to innovation, creating opportunities for companies that offer digital solutions, platforms, and technology-driven services. In parallel, the global drive towards sustainability has positioned Brazil as a key player in the energy transition. Investments in renewable energy — particularly solar, wind, and bioenergy — are expanding rapidly, and the demand for sustainable solutions across industries is growing.

Companies that can bring expertise in clean technologies, energy efficiency, and ESG-driven

business models will find fertile ground to develop long-term projects.

In short, Brazil combines a large and dynamic market with high levels of digital engagement and a strategic role in the global sustainability agenda, offering unique opportunities for companies ready to innovate and invest with a long-term vision. To navigate the complexities of the Brazilian tax system and the challenges posed by political instabilities, it is essential to rely on strong local partners who are accustomed to operating in this environment. Experienced local advisors — including accountants, tax consultants, and legal experts — not only bring technical knowledge but also offer valuable insights into how to adapt to regulatory changes and political shifts in a practical and timely manner.

Local partners can anticipate risks, suggest operational adjustments, and help businesses remain compliant and competitive even amid uncertainty. They also act as a bridge between international corporate standards and Brazilian practices, ensuring that companies maintain flexibility while respecting local requirements. In Brazil, success often depends not only on a sound strategy but also on having the right people on the ground who understand the dynamics of the market and can support your business through every phase of its development.

Information provided by:

Marco Aurélio Santos - Director at CLM Controller

About: CLM Controller, as an accounting and financial service provider, covers a wide range of professional services, performed by more than 100 experienced and highly qualified professionals, for more than 500 clients, of all sizes and segments, in Brazil and abroad.

FRAGOMEN

Migration should not be seen as an isolated challenge, but rather as a viable strategy for the economic development of both businesses and nations.

In a global context, defined by competition for talent and the recent tightening of immigration policies in several countries, multinational companies must rethink their mobility strategies with greater responsibility, legal certainty, and alignment with ESG principles.

In this landscape, Brazil emerges as a hub for development and innovation across various industries, clean energy as an example, welcoming and nurturing talent with the support of one of the world's most progressive immigration policies.

For a successful immigration program to Brazil, businesses and individuals should consider:

- Maintain valid passport for all individuals with any possibility to travel.
- Vaccines (yellow fever is required for certain regions) and health insurance.
- Planning for large processing times: documents may be procured and legalized or apostilled and government analysis may take months depending on the request and destination country.
- Focus on compliance and look for reliable advice: wrong visa category may result in fines and deportation, transforming plans and dreams into frustration.
- Migration scenario is volatile and can be challenging for certain destinations, so double check requirements prior to your trip especially if it has been a while since you have obtained advice.

FRAGOMEN

Information provided by: Diana Quintas - partner and Diogo Kloper - managing director at Fragomen

About: Fragomen is a globally recognized leader in corporate mobility services. With specialized professionals operating in over 170 countries, we are committed to delivering immigration solutions that blend efficiency, regulatory compliance, and strategic vision to support companies and talent in an increasingly complex regulatory environment.



KPMG

Adapting to and keeping up with the dynamics of the Brazilian tax system is a major challenge, especially for foreign companies accustomed to more simplified environments. Regulatory issues in Brazil are also highly specific.

Companies entering the Brazilian market need to surround themselves with trusted advisors. "Building strong relationships and learning from those who have already navigated the local complexities is essential."

While entrepreneurs often concentrate on operational and commercial aspects at the outset, taxes and regulatory compliance must not be overlooked. Brazil's intricate tax framework applies across all sectors and requires rigorous attention from the beginning.

Establishing local partnerships is also a success factor, particularly when it comes to cultural integration. Another critical consideration is evaluating the risk-benefit equation. Companies drawn to the Brazilian market often demonstrate a willingness to navigate regulatory complexity and tolerate a certain degree of tax risk. This resilience is frequently rewarded.

As an emerging economy, Brazil presents substantial growth potential. It boasts developed infrastructure, a large consumer market, and a skilled labor force in various industries. These elements, despite the inherent challenges, contribute to a compelling return on investment.



Information provided by: Laura Trapp - M&A Deal Advisory Tax at KPMG Brazil; leader of the Dutch Desk at KPMG and Member of the Dutcham D&I Committee.

About: KPMG is a global network of professional services firms that provides audit, tax, and advisory services. Throughout the years, KPMG has developed international desk groups to foster intercultural understanding. These desks are formed by professionals with strong ties to specific countries, either through heritage or professional experience, and they play a crucial role in bridging cultural differences and facilitating smoother business interactions.



PINHEIRO NETO

The Brazilian legal system is highly complex and constantly evolving. It operates through multiple layers of legislation — federal, state, and municipal — and multiple authorities with contrasting interpretations and, sometimes, overlapping or conflicting competencies.

For businesses, this means navigating a complex framework of highly specific regulations at federal, state and municipal levels, while engaging with multiple administrative bodies and courts. The tax and environmental areas are often considered especially challenging in Brazil due to the extensive volume of regulations across all government levels and the existence of state-specific rules that vary considerably. These areas are further marked by frequent legislative changes, ongoing legal debates, and contrasting interpretations among different courts.

Labor laws are intricate and highly protective of employees, requiring careful structuring of workforce arrangements. In addition, sector-specific regulations —covering areas such as infrastructure, energy, oil and gas, healthcare, among others — along with foreign investment restrictions, licensing requirements and public procurement rules, may add further layers of complexity depending on the industry.

“Another area of increasing focus is compliance and regulatory enforcement, particularly in anti-corruption, data protection, ESG, and corporate governance matters.”

Enforcement is becoming increasingly sophisticated, with closer coordination between domestic and international authorities, making proactive compliance strategies essential for multinational investors.



For instance, the Brazilian General Data Protection Act (LGPD) established a comprehensive privacy framework, imposing significant obligations regarding the collection, storage and transfer of personal data.

Beyond legal and regulatory considerations, doing business in Brazil also demands a deep understanding of local business practices. Decision-making processes may differ from other jurisdictions, and building relationships with local stakeholders is key to achieving success. In this context, local and multidisciplinary legal support is essential — not only to ensure legal compliance but also to facilitate interactions with regulators, anticipate risks, translate business goals into viable legal structures, and combine sector-specific expertise with an integrated approach.

Information provided by: Marina Fronterotta - lawyer at Pinheiro Neto Advogados

About: Pinheiro Neto Advogados has a long-standing track record of helping international clients thrive in Brazil's unique and dynamic market. Their role goes well beyond legal advice — they act as strategic partners, guiding companies through complexity, mitigating risks, and creating long-term value.

TMF GROUP

For companies starting business in Brazil, a deep understanding of local compliance regulations is extremely relevant.

Investors need to be aware of some recent relevant points that contribute to strengthen capital markets locally:

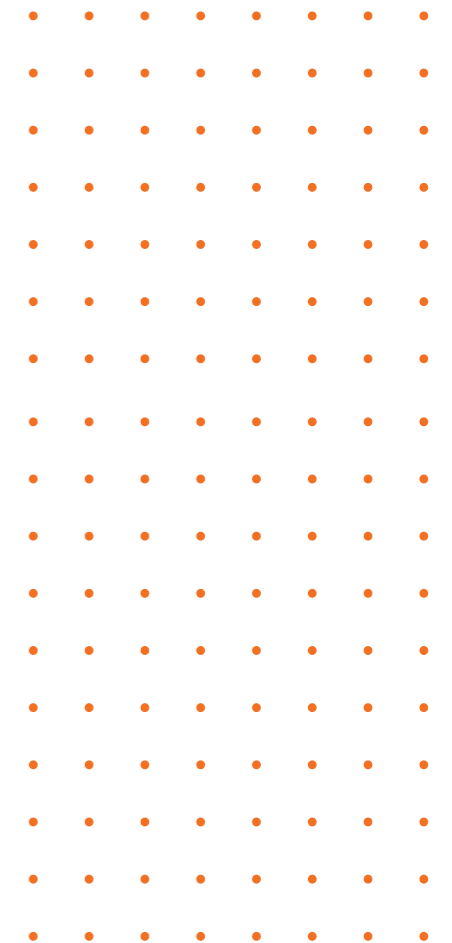
- Brazil has not signed the multilateral instrument (MLI) related to BEPS; Brazil's policy thus far addresses the individual amendments of each of the existing double tax treaties through new bilateral ones, as provided for by the BEPS Project.
- Brazil joined the Common Reporting Standard as a “late adopter” in September 2018.
- Brazil and the United States have signed an IGA to improve international tax compliance and to implement FATCA.
- Brazil has comprehensive Know Your Customer and Reserves Transfer System regulations.
- On December 2020, Internal Revenue Service of Brazil (RFB) updated the FATCA and CRS guidance (version 1.1.5) updates on movement of financial operations, general reporting requirements, etc.
- Brazil has adopted the IFRS Sustainability Disclosure Standards. The Brazilian Ministry of Finance and the Comissão de Valores Mobiliários (CVM) announced that these standards will be incorporated into the Brazilian regulatory framework. Starting in 2024, companies can voluntarily use the standards, with mandatory adoption beginning on January 1, 2026. This move aims to enhance transparency around sustainability-related risks and opportunities, which favors the attraction of investments.



Global reach
Local knowledge

Information provided by: Marcio Santos - Market Head of Business Development

About: As a leading global provider of financial and business compliance services, TMF Group helps companies of all sizes to grow their operations and expand internationally. Founded in 1988 and headquartered in Amsterdam, Netherlands, TMF Group offers a complete range of administrative support services, including accounting, tax, HR administration, and global payroll services.



5. Insights from the ground

Business success stories from our members



BLACK JAGUAR FOUNDATION

As a non-profit organization aiming to restore 1 million hectares of native vegetation in Brazil, we at the Black Jaguar Foundation learned that planning and preparation are probably the most valuable lessons for anyone doing business in Brazil.

Our initial planning lasted ten years, involving a green capital study, which served as a cost-benefit analysis of the entire project. In this phase, we worked with over 12 scientists from different universities (in Brazil and abroad). They calculated the cost of the total project by defining the vegetation deficit in the region, according to Brazilian environmental regulations. In Brazil, every rural property is required by law to maintain a percentage of native vegetation untouched. By mapping the corridor and analyzing environmental deficits in the region, the planning phase defined that nearly 1,000,000 hectares of private lands need to be restored to realise the 2600 km long Araguaia Biodiversity Corridor.

Restoring native vegetation not only brings environmental benefits, but also creates opportunities and advantages for private rural properties: compliance with legislation and improvement of the environmental services in restored areas, such as water availability and avoided soil erosion, are among the main added assets. But foreseeing a very favorable outcome is not enough to implement a large-scale ecological restoration project.

Our challenge then became engaging farmers and demonstrating that we do what we promise. In this sense, cultivating trust by engaging communities and showing how ecological restoration helps the agricultural sector is a must.

Without gradually gaining the trust of the region's farmers and local communities, it is almost impossible to implement a project like this.



Working to restore the Araguaia Biodiversity Corridor in Brazil is a learning experience. We have been building strong, dedicated teams who recognize daily how profitable and important ecological restoration is and can be. This is what makes the organization move closer towards its goals.

Finally, for those getting to know Brazilian culture, two other short but extremely valuable lessons can be shared: the first is that "a smile after a meeting does not necessarily mean that the deal is closed." Again... one needs to build trust, and this happens gradually as you deliver what you promise. The second is the need to go with the flow. Brazil teaches you that if the river goes from left to right, you must follow the stream. Don't try any other angle.. don't paddle upstream. "Just go with the flow. Otherwise, you won't make it."

Story and insights by: Ben Valks - Initiator at The Black Jaguar Foundation

About: The Black Jaguar Foundation is a non-profit organization - founded by a Dutch - focused on ecological restoration, specifically through reforestation efforts in Brazil. Their primary goal is to create the Araguaia Biodiversity Corridor, a large-scale reforestation project designed to restore the Amazon rainforest and the Cerrado savanna, while also improving the lives of local communities.

DEERNS

Establishing a solid operation in Brazil requires more than a good business plan. It demands active listening, adaptation and, above all, flexibility. This has been Deerns' main lesson since we began operating in the country.

We have learned that it is not a matter of applying the same formula used in other markets, especially in Europe. Brazil is unique in its complexity and potential. This begins with the regulatory and tax environment, which is notoriously complex even for Brazilians. Legal uncertainty in some sectors and economic volatility also require constant attention and a strategic approach. It is necessary to adjust the scope of work to meet the specific demands of the local market, without sacrificing technical excellence. Much of our success in Brazil is anchored in this ability to adapt.

Another essential pillar of our journey is the continuous investment in people. As a service company, we know that our team is our greatest asset. We invest in building work environments that promote well-being and engagement, and this has been reflected in the quality of what we deliver and in the strength of our partnerships. For those who understand these particularities and are willing to adapt their delivery, Brazil offers extraordinary opportunities. And many.

The local infrastructure still has major gaps in different sectors, such as transportation, sanitation, energy and communication. This creates a robust domestic market, with room for innovation and development. The energy sector, for example, is experiencing a particular intense moment. Brazil has been standing out in the production and use of clean and renewable energy, and any initiative in this sense finds fertile ground to prosper.



Furthermore, the country brings a positive input in less tangible but equally valuable areas. Brazilians are creative, open to collaboration and have a unique ability to generate solutions in challenging environments. This has driven the creation of technology hubs in several state capitals, bringing innovation and dynamism to various sectors.

From a strategic point of view, Brazil has also proven to be fertile ground for public-private partnerships and international collaborations. Foreign companies and governments are welcome, and there is significant room for technical and sustainable solutions that generate long-term value.

Finally, an important observation: business in Brazil tends to offer very interesting returns, in line with and sometimes better than in other countries, as long as one knows how to navigate its instabilities. For Deerns, Brazil is a promising market, with talented people, real demands and a unique energy that continues to inspire us to grow.

Story and insights by: Anderson Assunção - General Director Deerns Brazil

About: Deerns is a leading international consulting and engineering firm. Founded in 1928, headquartered in the Netherlands, the company is established in 10 countries and offers integrated solutions for sustainable, intelligent and future-proof projects in the areas of mechanical and electrical engineering in sectors such as hospitality, pharmaceuticals, aviation, IT, industrial and construction. The company's mission is to create efficient and safe environments for the development of communities around the world.

DUTCH WAFFLE

We were convinced: Brazil is a land full of opportunities. But where do you start? The language, the laws, the culture – everything was new to us.

I'm Gabrielle, third generation of the Van Meeteren family – a name many still remember from Van Meeteren Stroopwafels, well known in the 1990s. Thanks to our family connections, we found a local partner in Brazil. He was importing stroopwafels from the Netherlands at the time but ran into recurring issues: long delays at the port of Santos, melted waffles, and the need to repackage everything.

It was a classic win-win situation: we could produce locally, and he had a trustworthy supplier close by. So we made the big leap. We sold our company and our house in the Netherlands – by then, we were married with two small children aged 3 and 2 – and moved to Rio Grande do Sul. Mels spent about eight years helping build the business there, until he felt it was time for a new challenge. We moved to São Paulo, more experienced and better informed – because this is where business truly happens.

Our company, Dutchwaffle, is now based in a secured industrial park in Santana de Parnaíba. It's an ideal location, right between the highways that distribute goods across the entire country. Our children are older now, so I'm back in the business too. Dutchwaffle has been running for 2.5 years, and we often hear wonderful feedback:

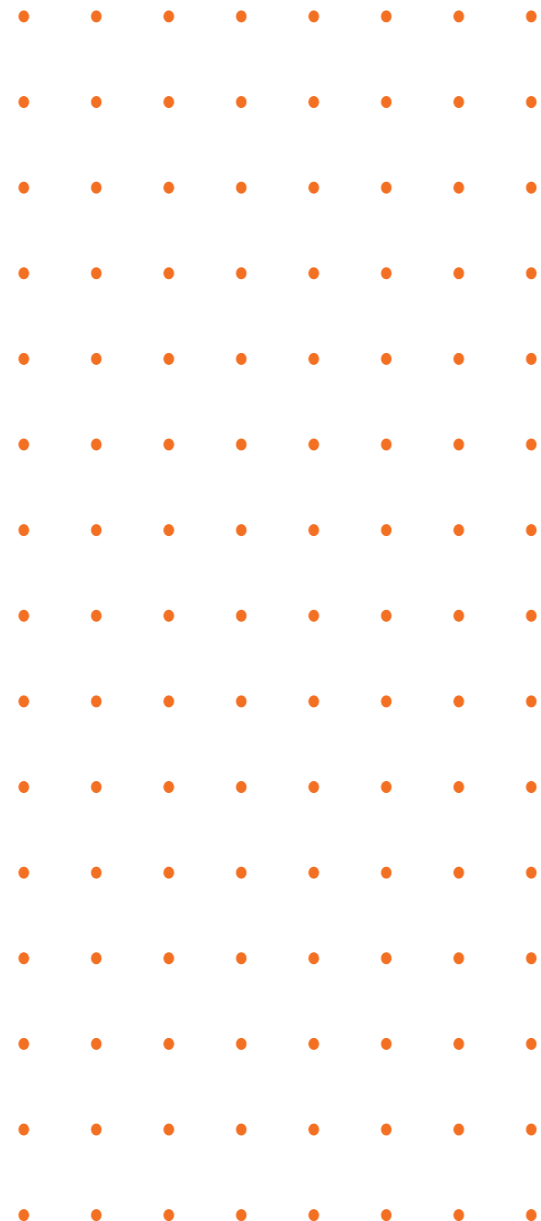
"Wow, your stroopwafels are available at Sam's Club, Pão de Açúcar, Kalunga, Biscoitte!"

It's fantastic to hear – but we stay grounded. We've made a substantial investment, and it needs to be earned back. We're a fully independent company, and that makes every step of the journey even more meaningful.



Story and insights by: *Gabriëlle Van Meeteren-Kraan*

About: *Dutchwaffle is a stroopwaffle company based in Santana de Parnaíba, São Paulo, Brazil. It was founded by Dutch immigrants Gabriëlle Van Meeteren and her husband Mels Kraan. The company and recipes hold on to the baking tradition of the Van Meeteren family in the Netherlands*



PACHECO NETO SANDEN TEISSEIRE ADVOGADOS

At Renato Pacheco Neto Lawyer, we noticed the importance of having personal connections between European countries, as Brazilians value personal relationships and networking. Building strong relationships with colleagues, clients and partners is crucial for success.

Brazilians are known for their warm and friendly nature and most of the time open to small talk and personal conversations, as they tend to use a mix of direct and indirect communications styles, be prepared to read between the lines and understand the nonverbal cues, they are flexible with time and punctuality may not always be strictly observed, but when you do, expect to encounter passionate and enthusiastic discussions.

Relations often take priority over strict adherence to schedules. So, be aware of its importance to understand the local culture, the unique Brazilian culture that values personal relationships and hierarchy. Investing, training, and guiding in local talent, can help businesses to flourish Brazil's competitive market. Understanding and speaking Portuguese makes a huge difference, and they will be dazzled and compliment you for your excellent Portuguese!

The large growing market with abundant resources, diversified economy and investment incentives are real opportunities but the downside like bureaucracy and regulatory complexity which can be complex and time consuming, high costs of expenses can make it challenging to operate profitably, Infrastructure such a transportation network, depending on the area, can be underdeveloped, unfortunately sometimes businesses may face risks of corruption, bribery, extortion and other forms of crime, this might be quite a challenge if you don't have the right connections and expertise.



However, if you are prepared to hop on this ride and start the adventure which is called Doing Business in Brazil, make sure understanding the local culture, navigating properly the regulatory environment and investing in local talent, with partners that can guide and set you into the right course, your business can surely succeed in Brazil's vast and growing market and make this ride worthwhile.

Story and insights by: *Danielle van Tongeren - Executive assistant and adviser to the board of directors. Representative to the Dutch Desk of PNST*

About: *Pacheco Neto Sanden Teisseire Advogados is a full-service corporate law firm with extensive multicultural experience, serving clients in over 20 countries, particularly in Germany, France, and the Scandinavian countries, as well as the United States and China. It is an active member of several chambers of commerce and local and international legal alliances.*

VIEIRA REZENDE

Brazil is a very young republic: the country became a republic in 1889 and the current Constitution was approved in 1988. It is also a very large, complex and dynamic country.

These characteristics (young, large, complex and dynamic) also apply to the legal system. To navigate in the Brazilian legal environment, entrepreneurs have to accept that many areas of the law are unclear and that they will have to live with some amount of legal uncertainty.

However, with the correct understanding of the risks involved and sufficient transparency about them, it is possible to conduct a successful business strategy, focusing on the business and taking advantage of the positive aspects of the Brazilian business culture such as the entrepreneurial spirit, curiosity and quite a great amount of flexibility!

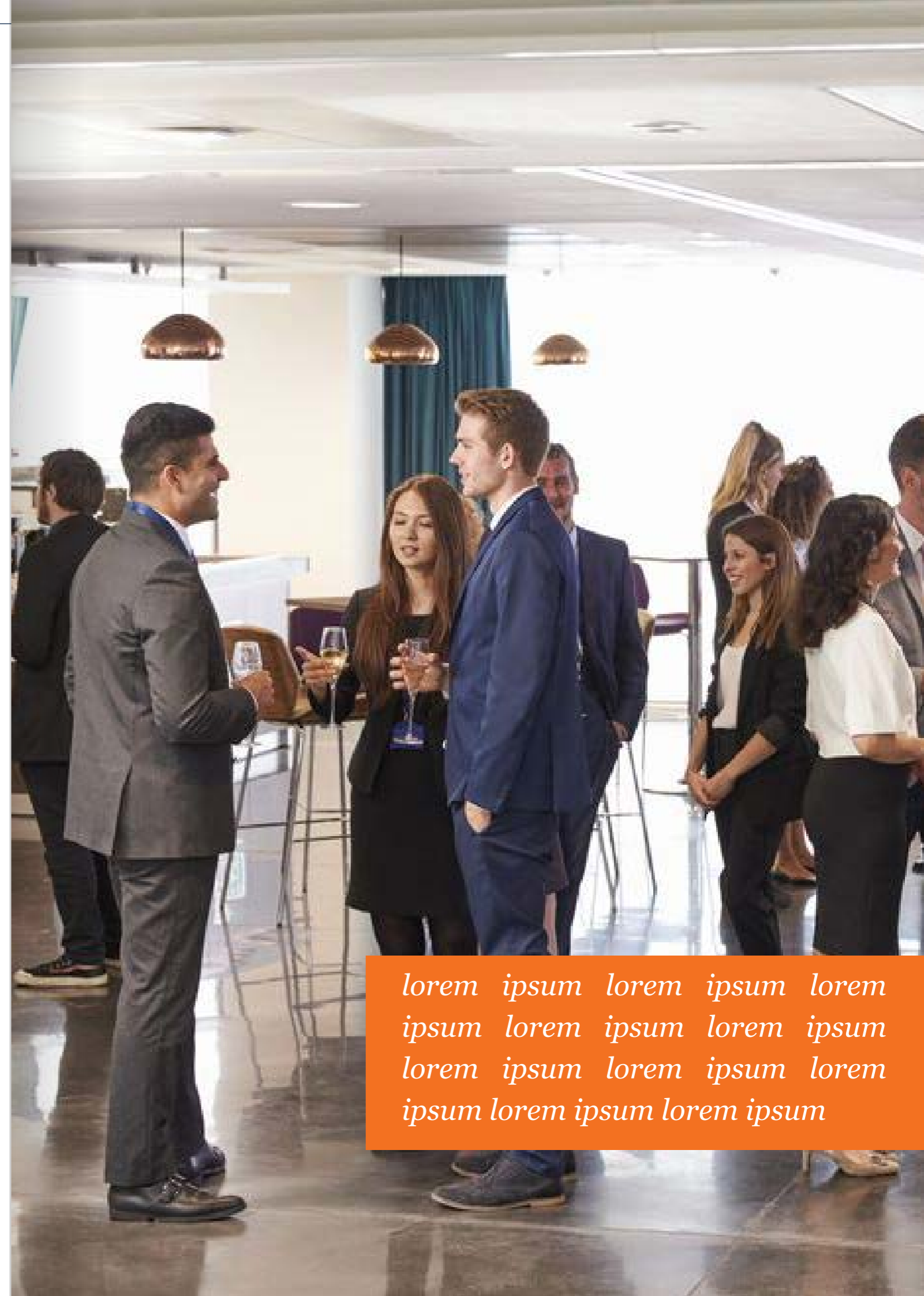
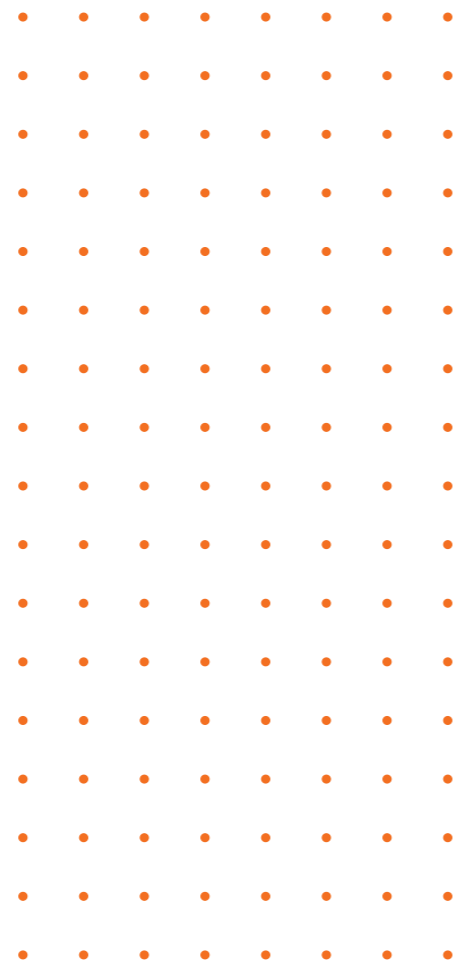
With over 17 years of experience advising Dutch companies on legal matters in Brazil, and having observed both successful and unsuccessful ventures, it is evident that "there is no universal formula for entrepreneurial success in the Brazilian market." However, in my professional assessment, enterprises that adopt robust corporate governance frameworks are generally better positioned to navigate the complex regulatory and operational landscape.

Investors who prioritize governance practices tend to be more adept at leveraging the nuances of the local business culture, identifying value-adding opportunities, and ultimately enhancing their potential to build sustainable and competitive businesses in Brazil.

VIEIRAREZENDE ADVOGADOS

Story and insights by: *Camila Borba Lefèvre - born in Brazil, lived & studied in the Netherlands - partner in the corporate law and mergers and acquisitions area, with a strong presence in businesses involving joint ventures, corporate restructuring, and business structuring.*

About: *Founded in 1995, Vieira Rezende is a full-service law firm composed of professionals with a multidisciplinary practice, representing clients in a wide range of sectors in both industrial and services activities in Brazil. The firm – with offices in Sao Paulo, Rio de Janeiro and Brasilia - has a prominent role in several law practice areas, such as Corporate/M&A, Banking & Finance, Infrastructure & Projects, Oil, Gas & Offshore, Maritime, and Tax.*



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6. Your trusted guide in Brazil

Dutcham & the Diplomatic Network to help you succeed





Who we are

Dutcham is the official Dutch Chamber of Commerce recognized by the Dutch Embassy & Consulates and empowered by the major Dutch companies such as Heineken, AkzoNobel, dsm-firmenich, Adyen, Booking.com, Shell, Philips, KLM, SBM Offshore and many more.

We are a non-profit association founded in 1952 with the objective to support Dutch companies and professionals in their business journey - whether you're already active in Brazil or just starting to explore this dynamic market.

Our mission

To create together a more sustainable, inclusive, and inventive future in Brazil for all.

What we offer

NETWORK - We open doors. Connect with decision-makers across industries, the Dutch diplomatic network, local governments, and business associations.

BUSINESS - We help you grow business. Tap into practical market insights, inspiring best practices, and strategic connections that make a real impact.

PEOPLE - We help you build the future. Stimulate talent development and cross-company & cross-generation learnings through unique programs such as the Orange Academy and Orange Buddy.

BRANDING - We bring a "Dutch touch" in Brazil. Strengthen the local teams with true Dutch values like sustainability, diversity & inclusion, and social impact.

Our impact

Each year, Dutcham organizes over 45 high-quality business events — from roundtables and panel debates to networking cocktails and workshops.

We also lead flagship initiatives such as:

- Strategic Committees on Sustainability, D&I, and HR
- Dutcham Orange Academy – our cross-company talent program
- Inspire Awards & Gala Dinner – sharing and celebrating impactful business practices
- Milk Donation Campaign – supporting vulnerable communities in São Paulo

Why Brazil? Why now?

Brazil may not be an easy market – as we say here, “it is not for beginners” – but it is full of opportunity especially for many Dutch companies. As the largest economy in Latin America, Brazil offers a vibrant landscape for innovation and growth, especially in areas where Dutch companies excel like agri & food tech, logistics & infrastructure, water & climate solutions, life science and health and innovation & digital economy.

With our powerful business network and close collaboration with the Dutch diplomatic posts in Brazil, we make sure you get a soft landing — and a strong start.

Let Dutcham be your compass for doing successful, future-ready business in Brazil.

Our orange members



Be Part of the Dutcham Network

Dutcham offers three levels of membership, tailored to fit your company's goals, presence, and ambition in Brazil:

Orange Members – Strategic Partners

Our Orange Members are our closest allies — companies that actively shape the direction of Dutcham and play a leading role in our community.

They benefit from:

- Maximum visibility within our network
- Exclusive access to strategic committees, projects, and roundtables
- Unlimited participation in all activities for all employees
- The unique opportunity to host a Dutcham event for the entire membership

This level is ideal for companies looking to amplify their voice, build influence, and lead on key business topics.

Gold Members – Business Partners

Gold Members are committed partners seeking to build strong relationships and increase exposure in the Dutch-Brazilian business community.

They enjoy:

- Broad participation in our business events
- A strong presence in our network
- Targeted opportunities for engagement, with moderate visibility

This membership is a great match for companies aiming to stay engaged and visible, without the full strategic involvement of Orange Members.

Silver Members – Networking Partners

Silver Members are focused on interaction, learning, and expanding their professional network through our events.

They receive:

- Access to our full event calendar for a limited number of employees
- A simple and effective way to connect with peers and stay informed

Perfect for smaller teams or companies taking their first steps into the Brazilian market.



The Dutcham team

From left to right: Camila Chaves (Event & Project Coordinator), Peggy De Rop (Managing Director), Isabella Rohde (Marketing & Communication Analyst), Karin Vecchiatti (Business Project Manager).

Not (yet) in Brazil? No problem!

We also support Dutch companies that are exploring the Brazilian market or preparing their first steps into the country.

In addition to our membership options, we offer a range of tailor-made services to help you understand and access local opportunities, including:

- Strategic introductions to potential clients, partners, or service providers
- Business matchmaking & best practice sharing with members of the Dutcham network
- Trade mission planning and business support in collaboration with the Dutch diplomatic and economic network
- Soft landing services in collaboration with reliable experts & local service providers

With our extensive local network and deep market knowledge, Dutcham is the ideal partner to guide your company through the complexities of entering Brazil — and help you build the right foundations from the start.

Contact us to see how we can help your business. Let's grow together.

Contact Us:

 www.dutcham.com.br

 info@dutcham.com.br

 @dutchambrazil

 Dutch Brazilian Chamber of Commerce



Kingdom of the Netherlands

The Dutch government aims to increase opportunities for Dutch entrepreneurs in international markets and promotes the interests of Dutch businesses abroad through economic diplomacy. Entering a new market like Brazil comes with many challenges, making access to the right information and guidance essential.

To support this, the Netherlands has a broad and active diplomatic and economic network in Brazil. This includes the Embassy in Brasília, Consulates-General in São Paulo and Rio de Janeiro, and the Netherlands Business Support Offices (NBSOs) in Porto Alegre and Belo Horizonte.

This network helps Dutch companies and entrepreneurs seize opportunities, achieve their international ambitions, and navigate the local context of responsible business conduct.

The Economic team of the Dutch Embassy focuses on Economy, Trade, Investment, Innovation, and Agriculture, offering support to Dutch businesses exploring or entering the Brazilian market. The network also includes an Innovation Attaché and an Agricultural Counsellor, who provide specialized knowledge and support in their respective fields.

Are you looking for subsidies or financial programs? Use the subsidy tool to find out which are open for applications.

For the full overview:
<http://www.rvo.nl/subsidies-regelingen> (in Dutch)

Contacts

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Netherlands Business Support Office Brazil (NBSO)

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