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AGRIBUSINESS

Benefits for agribusiness

To the core: Since 1997, states have been allowed to make 60 percent reductions in Goods and Services Tax (ICMS) charged on the interstate trade of various essential items to the agribusiness sector, including pesticides, raw materials for fertilizers, animal feed, and medications, serums, and vaccines used in farming. This agreement was meant to remain in force until 1999, but has been extended year-on-year. The last extension occurred at the beginning of this month and the benefit is now available until April 30, 2020. This week, the National Board on Farming Policy created a working group comprising representatives from state finance departments and "the participation of representatives from the agribusiness sector," to "debate, promote studies and propose alterations" to rules.

Source: [Resolução nº 6, de 10 de abril de 2019](#)

Chemical safety in animal products

To the core: The Ministry of Agriculture approves rules for sampling and reference limits for the National Plan to Control Residue and Contaminants in Products of Animal Origin (PNCRC) of this year. The purpose of this plan is to ensure the chemical safety of the Brazilian production of beef, pork, lamb, poultry, horse meat, rabbit meat, game meat, ostrich meat, milk, fish, honey, and eggs. Reference limits allow the ministry to verify if the products have a safe level of chemical products—among which pesticides are included. The actual numbers have not been published on the Federal Register and are not yet available on the Ministry of Agriculture's website. When this is disclosed, we shall make a comparison with last year's data and report any relevant changes.

Source: [Instrução Normativa nº 5, de 23 de abril de 2019](#)

AVIATION

CO₂ emissions on flights

To the core: Since last year, Brazilian airlines operating international flights have been required to report the carbon dioxide (CO₂) emissions generated by these flights to the National Civil Aviation Agency (ANAC). In an ordinance published today, ANAC loosened these requirements. In airlines' reports, in the case of a lack of data control of absence of information, the companies only need to give justifications when these issues occur in over 5 percent of its international flights. According to previous rules, faults in over 0.5 percent of flights was already enough to force companies to provide explanations.

Other aspects worth bearing in mind:

- The method used by airplanes in 2020 to measure fuel, for the purpose of monitoring carbon dioxide emissions, must be the same as in 2019. Previously, ANAC allowed for changes in measuring methods each year.

Source: [Portaria nº 1.108, de 2 de abril de 2019](#)

BANKS AND FINANCIAL SYSTEM

Record of foreign capital

To the core: The Central Bank made some changes to the rules of recording foreign capital in financial transactions. The changes will take effect as of July 1. The existing rules for external loans will also have to be applied to financing from foreign organizations. These types of loans also must be recorded separately from other types of external financing. Another important change is that now, any external credit operation, not only loans, must be recorded in Brazilian reais.

Other aspects to bear in mind:

- The advance payment of interest on external loans will only be permitted once the principal (the loan in itself) has already arrived in the country.
- There are now fewer bureaucratic requirements for the beneficiaries of internal credit operations to record guarantees offered by international organizations.

Source: [Circular nº 3.939, de 17 de abril de 2019](#)

Removal of stolen bills

To the core: When criminals attempt to rob ATMs, anti-theft mechanisms stain the notes held inside the machine, "stamping" the bills. These banknotes, once identified, must be removed from circulation. The Central Bank created rules to this end back in 2011, to be followed by banks. Now, some specific alterations have been made. The deadline for banks to deliver retained notes to the Central Bank will now count from the day the bill was effectively retained. Another change is that the banks will now have to update the information, as well as emails, of the employees responsible for sending the damaged notes.

Source: [Circular nº 3.940, de 17 de abril de 2019](#)

Improved transparency

To the core: This is an important rule change concerning the information that all institutions authorized to operate by the Central Bank—with the exception of credit cooperatives—must supply to the Central Bank. The entire corporate chain of these companies must be reported, including the final individual beneficiary of the corporate structure. This information must specify the equity—even if indirect—or foreign residents. The idea is that shareholders' equity is explored to the point that it is evident

who is the individual or legal entity which retains control over the financial institution. The rule had not been changed since 1981.

Other aspects to bear in mind:

- Publicly traded financial institutions (read: large banks) will be an exception to the rule: they may submit a consolidated report of the total equity retained by those residing abroad. Therefore, they would not need to specify, for instance, that shareholder X, who lives in Germany, holds 0.0003 percent equity. This is binding as long as the foreigner does not apply to the other criteria, such as holding over 5 percent equity—in these cases, the information must be specific and not consolidated.
- It is an interesting initiative, but it did not come directly from the Brazilian government. The move is a recommendation from the Organization for Economic Co-operation and Development (OECD)—of which Brazil wants to be a part—to prevent money laundering and financing terrorism. As explained by this text from the Federal Revenue Service, which is preparing to impose the same demands on companies in general, "the Financial Action Task Force (FATF), the international organization linked to the OECD, (...) establishes in recommendations 24 and 25, the need for countries to take measures to provide transparency and timely access to information relative to the final beneficiaries of legal entities and other legal arrangements."

Source: [Circular nº 3.941, de 23 de abril de 2019](#)

Conflict of interests in the Central Bank

To the core: The analysis of authorization requests for the exercise of private activities by employees of the Central Bank, and potential conflicts of interest, will now be delegated to the Disciplinary Board of the Central Bank, and no longer to the Department of Personnel Management. The latter will continue receiving the requests and consultations, but they will be forwarded to the Disciplinary Board for analysis. The deadlines and other general rules will continue the same, including the exemption of these authorizations and analyses for members of the Central Bank board of directors, as well as permanent employees linked to the bank's top brass.

Source: [Portaria nº 102.657, de 25 de abril de 2019](#)

BUSINESS AND INVESTMENTS

Operations of public corporations

To the core: Since 2008, in the internal structure of the Securities Commission (CVM), it was up to the Corporate Relations Department to determine situations when the disclosure of relevant facts or the submission of financial statements verified by independent auditors would not be required as a condition for approving some operations involving publicly held corporations. Among these operations are mergers of a subsidiary with its parent company, consolidations between parent and subsidiary, among other operations of the type. In the deliberation published this week, this rule no longer exists. In principle, according to the text, what is revoked is the delegation of jurisdiction to the Corporate Relations Department, and not the situations in which this documentation is not necessary.

Source: [Deliberação nº 817, de 18 de abril de 2019](#)

Oracle for investors

To the core: It isn't widely known, but since September 2016, Brazil has an ombudsman for direct investments. Until now, however, it has worked in a very restricted way, as the decree which created this post established it could only attend solicitations from investors from countries with which Brazil has signed so-called Cooperation and Investment Facilitation Agreements (ACFIs). In other words, only those from Angola or Mexico. Now, investors from any country, as well as Brazilians seeking to invest around the world, will be able to consult the ombudsman. The agency is also open to questions about concrete cases affecting specific investments. Regarding this point, the ombudsman may recommend that agencies involved in the concrete cases receive proposals of changes not only to legislation, but also in administrative processes (via ordinances, normative instructions, etc.).

Source: [Decreto nº 9.770, de 22 de abril de 2019](#)

Path cleared for startups

To the core: This week, President Bolsonaro sanctioned a Supplementary Law concerning two distinct topics, which will be addressed in this item and the one below. The government created a new special regime, along the lines of the Simples regime, directed exclusively toward companies which self-declare themselves as startups or

"innovation companies." For the first time, Brazilian legislation specifically recognizes startups and grants tax breaks for opening these companies.

The regime is entitled Inove Simples, and was submitted to Congress by Rep. Otávio Leite (PSDB). These companies will have a concise, automatic process for creation and closure. Applicants simply need to fill out a form with basic details such as name, taxpayer ID, a declaration that the activity will not produce "pollution, noise, and the build-up of vehicular traffic," as well as a description of the "innovative business intention" and then and there, a corporate taxpayer ID (CNPJ) will be issued. By law, a startup is defined as a "innovative company which seeks to improve systems, methods or models in business, production, services and products."

Other aspects to bear in mind:

- On the company creation form, filled out online, there is also a field for the creator to automatically inform the National Institute of Intellectual Property (INPI), if applicable, about the "inventive content of the scope of the business initiative." The INPI is obligated to develop a system to ensure the quick processing of solicitations of marks and patents from companies classified in this new regime.
- Once the CNPJ is issued, the company will have to immediately open a corporate bank account to raise funds from investors, including those from abroad. These funds, according to law, will not constitute revenue and must be exclusively destined to the development of projects.
- Companies may carry out an experimental sale of the product, as a form of test, up to the financial limit established for small businesses (revenue of BRL 81,000 per year)—this does not count investments received, only the revenue generated from the sale of products.
- Company headquarters may be coworking spaces, for instance.
- Despite these concessions, startups will not be allowed to use the simplified payment system of tax and contributions which applies to small businesses.

Potential loophole:

- The law still needs to be regulated by the Management Committee of the Simples Regime before it can be effectively implemented. Regardless, there are some important points which are absent, perhaps on purpose. For instance, there is no established term of operations of the company, nor is there an obligation to raise funds. It is also unclear whether a small business owner may simultaneously open a startup.

Source: [Lei Complementar nº 167, de 24 de abril de 2019](#)

Credit on the corner

To the core: The other point of the Supplementary Law sanctioned this week is the creation of Simple Credit Companies. These will have the specific commercial purpose of granting loans and financing to micro and small businesses. These loans, however, may only be given with the company's own funds, without the possibility of borrowing money to grant loans. The ESCs, as they are called by law, may be created by one individual and will have to work exclusively in the municipality in which they are located and in directly neighboring towns. So as not to be confused with banks, ESCs may not use any references in their name or marketing material which suggests they are banks.

Other aspects to bear in mind:

- The company's capital must be entirely paid-up (real estate and other assets do not count, for example), and the total value of loan and finance operations may not exceed the company's capital. These companies are also forbidden from any form of raising funds.
- The ESC will only earn revenue from interest and the maximum amount of annual gross revenue with this interest is BRL 4.8 million (the same limit for small companies).
- Loan and finance contracts may use secured fiduciary sales. i.e., the property or asset of the debtor will be formally controlled by the ESC (creditor) until the debt is settled.
- Despite the logic of being an incentive for credit to small businesses, the income tax rate on ESCs will be the highest in effect in Brazil: 38.4 percent of gross monthly revenue. Activities with the highest tax rate are charged 32 percent.

Source: [Lei Complementar nº 167, de 24 de abril de 2019](#)

Transparency takes a hit

To the core: In a law sanctioned this week, transparency takes a serious hit. The new legislation determines that limited liability companies with assets of up to BRL 10 million will no longer have to disclose their balances and financial accounts, only being required to file them in the Commercial Registry, which charges high fees for citizens to gain access to information. Previously, this rule only applied to companies with assets of less than BRL 1 million.

Other aspects to bear in mind:

- The new law also hurts one of the most important sources of revenue for print newspapers. Even limited-liability companies with assets of over BRL 10 million will no longer have to publish their full balances and financial statements in

major newspapers. The full information will be published on the websites of some of these outlets, but the law is unclear on which section of the site, and how visible they must be.

- Regarding the requirement to publish balances on the Federal Register, this demand simply no longer exists.

Source: [Lei n° 13.818, de 24 de abril de 2019](#)

CULTURE AND SOCIETY

The new Rouanet Law

To the core: The government has published its new rules for cultural projects to receive federal incentives to raise funds. It is a revised version of the so-called "Rouanet Law," which will now go back to its original name as the National Cultural Promotion Program (Pronac).

The most drastic change is to the limit which may be raised by a single company ("offeror"). Previously, the ceiling was BRL 60 million; now it will be reduced to BRL 10 million, reaching BRL 20 million in some cases. Each project may only raise a maximum of BRL 1 million; previously, there was no established per project limit. However, there are several exceptions provided in relation to the maximum amount of each project. The ceiling may rise to BRL 6 million for projects involving the inclusion of people with disabilities, educational projects, awards, research, operas, festivals, symphony concerts, festive parades, stable organizations (such as ballet companies which have been established for at least five years), literary events, actions to encourage reading, and the exhibition of visual arts.

There are other situations in which the general funding limit may be loosened. These limitations will not apply, for example, to the construction and maintenance of theaters and cinemas in small cities (of less than 100,000 inhabitants). Other projects exempt from limitations are those intended for the conservation of "cultural equipment of renowned cultural value" and those relative to "material and immaterial cultural heritage," and "museums and memory."

With regard to the amounts for cultural projects, the essential information is as follows:

- Very small businesses and individuals: Up to four active projects at any one time (in other words, between the registration for evaluation and the delivery of the final balance sheet), amounting to a total of BRL 1 million. Previously, the total was BRL 1.5 million.
- Other individual business-owners: Up to eight active projects, to a total of BRL 6 million. Previously, the total was BRL 7.5 million.
- Limited-liability proprietorship and other legal entities: Up to 16 active projects, to a total of BRL 10 million. Previously, the total was BRL 60 million.

Potential loopholes:

- One change present in the new rules is the support for events connected to commemorative dates with specific calendars. An appendix of the normative instruction highlights that the dates are the following: Christmas Day, New

Year's Day, Easter, and popular festivals. As far as popular festivals are concerned, one of the most important traditions of the North and Northeast regions are the Festa Junina and São João celebrations in the middle of the year, which are of great importance to local politicians. This could be used as currency in the poor relationship between the government and Congress, particularly with regard to the following item.

- The new rule, besides its general line of increasing controls and restrictions, allows for proposals to be submitted less than 90 days before pre-production, allowing this year's São João festivities (held between June and July) to receive incentives from the new law. In recent years, support from the Ministry of Tourism for such events, held by municipal governments, were the subject of scandals. We shall see what happens with the events supported by the new Rouanet Law.
- Previously, the law included a loophole so that, in the case of breaches of measures of accessibility, democratization of access, or the plan of distributing tickets, the offeror could propose a "compensatory measure." This loophole no longer exists. There was also permission, in cases of final accounts being rejected, for compensatory actions to be proposed "to conclude the purpose of the project properly performed." Now, this possibility is also forbidden. However, near the end of the new normative instruction, the government leaves space for "new guidelines" to be established in the future, through demands from the culture sector and "the submission of financial impact studies," the provision of "compensatory measures," and the "expansion of access to cultural products." In other words, there is still some margin to loosen requirements through supplementary rules.

Other aspects to bear in mind:

- During the accounting phase, all projects which received over BRL 750,000 will have to undergo a "detailed financial analysis." This will also happen in cases which, even involving smaller amounts, "show evidence of the misapplication or unlawful use of public funds" or if there are complaints by control agencies. Previously, more detailed analyses were reserved for projects targeted by allegations of irregularities.
- In cases of rejected accounts and the subsequent need to return funds, it is still possible to make repayments in instalments, with more lenient conditions, but subject to stricter rules. Previously, instalments could not be any lower than BRL 2,000, regardless of the amount of funds raised. Now, for funds up to BRL 500,000, instalments can be as low as BRL 500; for funds up to BRL 1 million, the minimum is BRL 1,000. Only projects which raise over BRL 1 million will have minimum instalments of BRL 2,000. Still, any delay in payment will result in the termination of the instalment plan and constitute default. Previously, three

months of nonpayment were necessary. Furthermore, instalments will be paid with interest.

- Twenty percent of the total amount of tickets must be destined for free distribution for educational and social purposes; previously, this percentage was 10 percent. In compensation, previously, 20 percent of tickets had to be sold for less than BRL 75. Now, only 10 percent must be sold up to the limit of the Culture Voucher (BRL 50). Furthermore, 50 percent of tickets should be reserved for concessions, and the total amount raised from ticket sales must be below or equal to the total cost of the project.
- In the case of new projects to be carried out entirely in the North, Northeast or Center-West regions, funding limits will be doubled. If the projects are located in the South region or the states of Minas Gerais and Espirito Santo, the increase will be 50 percent. In both situations, the increase previously foreseen is doubled.
- An individual or entity submitting a project for the first time is still not required to provide proof of prior experience in the cultural area, however it will have to adhere to a limit of BRL 200,000 for the proposal.
- The ceiling of remuneration for the person responsible for raising funds for projects will now be BRL 100,000, and not BRL 150,000. There was also a provision of an increase in cases of projects located outside of Rio de Janeiro and São Paulo, but this has been removed.
- Promotional material for projects must be submitted to the ministry in advance, so that it may verify the presence of the logos of the federal government, the Cultural Voucher program, and the Pronac. The ministry may request modifications, depending on how the logos feature on the material's layout.
- Projects in the audiovisual field, with the exception of feature films, which must follow the Audiovisual Law, will also see a reduction in amounts. Television programs may raise up to BRL 50,000 per episode. If the audiovisual projects have at least a commitment agreement for sponsorship which guarantees at least half of the amount requested, then higher amounts may be permitted, as well as those included in invitations for proposals.
- The deadline for the ministry to analyze proposals has also been increased. The general deadline is still 60 days, which may be extended a further 60 days, but the count will no longer be effective when the proposal is targeted by measures of the ministry, seeking clarifications.
- If the sources of funding are altered during the performance of the project, these new funds must be deducted from the total confirmed funding.
- Now, products and subproducts of cultural projects (such as DVDs, books, etc.) may be sold in promotional conditions even outside of the event.

- After the performance of the projects, permanent assets and materials may only be given to other public cultural entities. Previously, there was a loophole to give these items to private entities.

Source: [Instrução Normativa nº 2, de 23 de abril de 2019](#)

Risk diagnosis in museums

To the core: The Ministry of Citizenship created a working group to evaluate the structural situation of property under its responsibilities, which includes museums, national libraries, archives, and other building serving cultural purposes. Among the responsibilities of the group are proposing the mapping of risks and measures and emergency budgets, to eliminate the critical points encountered. The list also includes works completed for the 2016 Olympic Games which are under the ministry's purview, having taken on the obligations of the now extinct Ministry of Sports. The group will have four months to conclude its work.

Other aspects to bear in mind:

- This is all well and good, except by creating this working group, the ministry scrapped another group, created in January, with a similar but wider objective. For example, the previous group, coordinated by the National Historic and Artistic Heritage Institute (Iphan), was tasked with evaluating potential legal demands involving these properties, among them the real estate of the Brazilian Welfare Legion (LBA) Foundation. The LBA was the agency involved in scandals of misapplying public money during the Fernando Collor administration, and it was made extinct in 1995.

Source: [Portaria nº 777, de 24 de abril de 2019](#)

DEFENSE AND HOMELAND SECURITY

Navy given prestige

To the core: Some changes were made to the structure of operational precedence within the Ministry of Defense. Beyond the traditional military hierarchy, this precedence determines who is above who within the bureaucratic structure of the Defense Ministry's agencies. For instance, the minister is the maximum authority, even if he/she is a civilian. The main change concerns the precedence between the commanders of the Armed Forces. The Commander of the Navy now has precedence over his/her counterpart in the Army, who, in turn, has precedence over the Commander of the Air Force. Then comes the head of the Joint Staff of the Armed Forces and the secretary general of the Ministry of Defense. In practice, these changes mean little, but hold a symbolic importance.

Source: [Portaria Normativa nº 22/GM-MD, de 10 de abril de 2019](#)

Defense strategies

To the core: This week, the Defense Minister approved the Sectoral Defense Policy of 2020–2031, and the Strategic Map of the Defense Sector. He also approved the Sectoral Defense Strategy of 2020–2031. However, none of these documents are available on the Federal Register, only "on the Special Planning Office and internal network of the Ministry of Defense." This procedure, it is worth registering, has become standard practice in normative publications signed by Defense Minister Fernando Azevedo e Silva.

Source: [Portaria Normativa nº 25/GM-MD, de 16 de abril de 2019](#) and [Portaria Normativa nº 26/GM-MD, de 16 de abril de 2019](#)

Another "secret" measure

To the core: This is another "secret act" of the Ministry of Defence. The department approved the Action Plan of the General Secretary for 2019. However, the document is only available on the ministry's internal network, meaning it is only accessible by agency employees.

Source: [Instrução Normativa nº 3/SG-MD, de 24 de abril de 2019](#)

EDUCATION

Internet in schools

To the core: This is a potentially controversial change to the rules of the Connected Education Innovation Program, created in 2017 with the goal of "supporting the widespread access to high-speed internet and encouraging the educational use of digital technology in basic education"—in other words, to guarantee schools have access to high-speed internet and use technologies as teaching tools in public schools across Brazil. Among the changes to the rules of the practical implementation of the program is the concept of "terrestrial internet connection."

It is now defined as "any and all connection which uses terrestrial cabled technology, available to schools by way of Fiber, Cable, ADSL, 4G, 3G, Wi-fi, Radio, and others." In other words, the Education Ministry may, if it chooses to, supply internet connections to schools via 3G or 4G signals (for tablets, therefore) and count this as universalizing access to the internet. Previously, the concept of terrestrial connections simply involved the connection made in "schools located in districts with access to high-speed internet," without any technical specifications—likely a reference to traditional broadband connections, and not to mobile internet signals.

Other important aspects to bear in mind:

- Previously, it was provided that the technical training of the Local Articulators (representatives of state and municipal departments, now only referred to as "Articulators") should take place through distance learning, by way of the ministry's online platform. Now, this training is "preferentially" carried out at distance.
- The articulators will continue to have the right to study grants. Now, however, no amounts are specified (previously, it was BRL 300 per month, paid by the FNDE, to be deposited during the training course, in three consecutive or alternate months).
- There is no longer any specification on the content of the training course, or its duration.

Source: [Portaria nº 851, de 22 de abril de 2019](#)

Maintenance of schools

To the core: The Ministry of Education will select projects drafted by states and municipalities to maintain public schools. Funds for these projects will come from individual grants and those from members of parliament. Some conditions were

imposed by the new minister, Abraham Weintraub. For instance, funds from grants may not be spent on project development services, or on earthworks projects, water and energy supply, or personnel payroll. Contracts must be short term, and not for so-called "continued services," which span over more than one tax year. The selection of projects will be the responsibility of the National Education Development Fund (FNDE).

Source: [Portaria nº 847, de 22 de abril de 2019](#)

Medical residencies

To the core: The National Committee of Medical Residencies, linked to the Ministry of Education, established rules for medical students in their residency phase to have optative internships. Students are allowed to take internship in foreign institutions, with the payment of residency grants by the institution of origin. The selection process will take into account the student's grades in the course, as well as "recognized ethical conduct" and proficiency in the language of the destination country. The offer of internships may be pre-defined or resident doctors may demand this directly. Internships should last for a maximum of 30 days per year.

Source: [Resolução nº 27, de 18 de abril de 2019](#)

Control of funds from Fundeb

To the core: This measure removes the requirement of municipal and state oversight boards of the Development Fund of Basic Education (Fundeb) to depend on the approval of a law in municipal or state legislatures to be created. The boards monitor the application of Fundeb funds and include parent and student representatives, as well as teachers and members of the local government. There are some doubts about the practical effects of this change, as the vast majority of municipalities already have active boards.

Source: [Portaria nº 207, de 22 de abril de 2019](#)

The Olavo de Carvalho amendment

To the core: This is another change to the rules of the game in Brazilian education which could be handy to those seeking less rigor in selecting the teaching staff of distance learning postgraduate courses. Now, in the analysis of proposals for distance learning postgraduate programs, the evaluation of the teaching staff will no longer take into account the "academic production" of the professors. Instead, they will examine their "intellectual production"—which includes a "bibliographical" analysis. This means that even professors without a record of scientific or academic works may be accepted

by the Education Ministry if they have written books, whether or not they have the scientific rigor of academia. The government's ideological guru Olavo de Carvalho, who lives in the United States, has influence in the ministry, writes bestsellers and earns money through online philosophy course despite not having a philosophy degree, must be ecstatic.

Other aspects to bear in mind:

- Another new rule for distance-learning postgraduate courses is that, until now, there was a provision for "Institutions of Higher Education with IGC 3 [General Course Score] may submit proposals of new courses, providing they already have a stricto sensu postgraduate structure." Now, this possibility no longer exists, and only courses with IGC 4 may request authorization. As the IGC isn't measured annually, institutions may not yet have an IGC to submit. In this case, previously it sufficed to have "a postgraduate course recognized by the Ministry in the same area of evaluation." Now, this course must have a grade of at least 4 from the ministry.

Source: [Portaria nº 90, de 24 de abril de 2019](#)

Normative acts of the Ministry of Education

To the core: The Minister of Education, Abraham Weintraub, set specific procedures for the internal processing of proposals of normative acts, to be signed by him. This includes everything from constitutional amendments to ministerial ordinances. The approval workflow follows the same lines as that which was approved in the Ministry of the Economy last week. The exception is the need for the proposals to take into account the fiscal and budgetary impact involved. Beyond this, there is no substantial difference.

Source: [Portaria nº 884, de 25 de abril de 2019](#)

ENVIRONMENT

Radioactive landfill

To the core: A technical group was put together last year by the Institutional Security Office to establish guidelines and goals for the development of the National Repository of Radioactive Waste of Low and Medium Levels of Radiation. This group has now been given an extension to complete its work, running until June 27.

Source: [Resolução nº 5, de 18 de abril de 2019](#)

Environmental small committee

To the core: The Federal Environmental Compensation Committee (CCAF), responsible for "deliberating on the division and purpose of resources resulting from federal environmental compensation for the beneficiary conservation units or those to be created," is now more restricted. The committee takes forward negotiations of converting fines into the provision of environmental services by companies which damage the environment. Previously, it was made up of the executive secretary of the Environment Ministry, the secretary of Biodiversity and Forests, by the advisor of the Ibama president, by the planning officer of ICMBio, and the officer of Conservation Units and Integral Protection. Now, it will comprise only the executive secretary of the Environment Ministry and the presidents of Ibama and ICMBio.

Other aspects worth bearing in mind:

- In another ordinance, environment minister Ricardo Salles created a working group to submit proposals of normative acts to regulate the decree published as part of the 100 days of the Bolsonaro government, which alters the rules on the negotiations of environmental compensation. The rules will take effect in October. The group created today will have six months to conclude its work and will be made up of six members: two from the Ministry of the Environment, two from Ibama, and two from ICMBio.

Source: [Portaria Conjunta nº 298, de 23 de abril de 2019](#) and [Portaria nº 299, de 23 de abril de 2019](#)

HEALTHCARE

Indigenous health

To the core: The Minister of Health, Luiz Henrique Mandetta, created an Interinstitutional Working Group with the purpose of making a "situational diagnosis and submitting a proposal to improve the model of national policies for healthcare of indigenous peoples." The group has a very different structure from the standards established by the government's decree last week. The group will have 14 members, among them two representatives from the Federal Prosecution Service (one from the Labor Prosecution Office), two representatives from the National Health Board, and four representatives from state and municipal health departments. Meetings will take place at least twice a week. It will be coordinated by the Special Indigenous Health Department. Proposals should be sent to the Health Minister within 90 days. The final report must only contain consensual decisions, while also showing "disagreements."

Source: [Portaria nº 368, de 8 de março de 2019](#)

Nuclear medicine

To the core: The Institutional Security Office gave a six-month deadline extension to a technical group created last October to design a proposal for a National Strategy for the Expansion of Nuclear Medicine.

Source: [Resolução nº 4, de 18 de abril de 2019](#)

INFRASTRUCTURE AND LOGISTICS

Implantation and control of dry ports

To the core: This normative instruction alters rules from 2011 which foresaw the twice-yearly submission of a report to the Federal Accounting Court (TCU) by oversight officers of concession contracts for dry ports—which are customs terminals located inland, formally called Inland Customs Terminals. The changes made exclude the TCU from the rule. In other words, it eliminates the need for bidding processes for dry port licenses to be reported to the TCU, as well as dispensing of the need to draft Consolidated Oversight Reports on the performance on the concession contract.

These reports included any irregularities found by the tax authority over the space of six months, as well as results of potential audits and any changes to the tariffs being charged. The normative instruction makes no reference to any TCU decision which changes rules about bidding processes for dry ports, which usually require the prior approval of the court.

Source: [Instrução Normativa nº 1.886, de 17 de abril de 2019](#)

Semi-urban buses

To the core: The National Agency of Land Transportation (ANTT) has extended the deadline for special authorizations of semi-urban interstate transport to remain valid, until the bidding process for the signing of new contracts which will replace the current ones. This deadline had initially been extended to May 30. Now it has an undefined deadline, as there has been no date scheduled for the bidding processes. Semi-urban interstate transport is that which, despite crossing state lines (for example, between the Federal District and Goiás), has the features of urban buses.

Source: [Resolução nº 5.843, de 23 de abril de 2019](#)

INNOVATION AND RESEARCH

Filter for investigating irregularities

To the core: Research units linked to the Ministry of Science and Technology will no longer have the power to solely carry out the inspection of irregularities (by way of opening inquiries and disciplinary proceedings), to appoint members to inquiry boards, and to trial disciplinary proceedings. Among these units are the National Center of Monitoring and Alert of Natural Disasters, the National Institute of Space Research (INPE), the National Institution of the Semi-arid Region, and the National Institute of Amazon Research. Any measure to this end will now be decided on by the ministry directly.

Source: [Portaria nº 1.974, de 16 de abril de 2019](#)

MINING AND ENERGY

Importing nuclear materials

To the core: Imports of nuclear material for processing and subsequent export, permitted by a decree signed at the end of the Michel Temer government, must be reported in advance to the National Nuclear Power Committee, but only for control purposes. Subsequent exports, however, may only take place with the permission of the Ministry of Foreign Affairs, of Mines and Energy, and the Institutional Security Department.

Source: [Resolução nº 240, de 18 de abril de 2019](#)

Sale of kitchen gas

To the core: Distributors of liquefied petroleum gas (GLP), commonly used in kitchens, will have until August to cease operations in the resale of gas cylinders. The initial deadline given by the National Petroleum Agency had expired last November, but has been extended.

Source: [Resolução nº 783, de 25 de abril de 2019](#)

PENSION SYSTEM

Control of social security payments

To the core: Amid discussions on the savings to be made by the pension system reform, Brazil's social security institute (INSS) took another step towards organizing its operations. The agency created the Benefit Payroll Compliance Verification System, which, as the name suggests, will automatically analyze the payment of benefits in search of potential inconsistencies and irregularities. The rectification of potential problems will be the responsibility of local INSS departments.

Source: [Resolução nº 678, de 23 de abril de 2019](#)

PUBLIC ADMINISTRATION

Retroactive rationalization

To the core: The Economy Ministry instituted a series of restrictions to new public expenses, with the purpose of creating an increased "rationalization" of this spending. As it happens, most of these obstacles have been in place since February last year, such as the restriction on the acquisition and rental of real estate, the acquisition of vehicles for use of public servants, as well as the rental of vehicles and machinery in general. This week's changes are specific.

Now, the government has frozen the acquisition of subscriptions to newspapers and printed magazines, and the hiring of elevator operators. Savings from these two measures are not disclosed in the ordinance, but are expected to be marginal. The exceptions to the rule remain the same. In other words, the government may permit the purchase or rental of vehicles by way of justified requests. The biggest change at the end of the day is that all exceptional grants will be decided directly by the Minister of the Economy, Paulo Guedes.

Source: [Portaria nº 179, de 22 de abril de 2019](#)

Fiscal reports

To the core: The Independent Fiscal Institute, created by the Senate in 2016, has become a regular character in the Brazilian news cycle. Articles with fiscal analyses usually use data from the IFI, which is currently led by economist Felipe Salto. Now, a new rule determines that the IFI will have to submit, before the end of each semester, a record of the Brazilian tax situation to the Committee of Economic Matters in the Senate. This report must include analysis and data on revenue, spending, public debt, fiscal waivers and "other relevant economic-fiscal variables."

Source: [Resolução do Senado Federal, no number](#)

SOCIAL PROGRAMS

Relief for municipal governments

To the core: In certain cases, municipalities across the country may receive extended deadlines from the federal government to register the household visits carried out in the scope of the Criança Feliz program, as a condition for receiving payment from the government for the visits. The registration is a central condition for people/families to be considered Criança Feliz beneficiaries. The ordinance does not specify the size of the extension. Today, municipalities must submit the registration within one month after the visit.

Source: [Portaria nº 707, de 24 de abril de 2019](#)

TAXES

Payment of social security contributions

To the core: A change was made to the timetable for the implementation of DCTFWeb, the online declaration of federal social security tax debits and credits. This document will now be made obligatory, later this year, for all companies in Brazil. It substitutes previous forms of declaration (such as GFIP) and promises to facilitate the procedure of declaring and paying tax. In theory, as of April, all companies should be declaring their social security contributions through this system, which automatically issues a federal revenue payment form (DARF). Only corporations with revenues above BRL 4.8 million during the tax year of 2017 will need to adopt this system now. Remaining companies only need to declare via DCTFWeb as of October.

Source: [Instrução Normativa nº 1.884, de 17 de abril de 2019](#)