



Technological Innovation

**RD&I to be one step
ahead of the market**

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Technological Innovation

The market is constantly changing, and this requires companies to seek ways to keep their businesses competitive, through innovation, delivering the best service or product to their clients at an affordable price.

In order for the organization to identify an opportunity for innovation and apply the initiative in favor of sustainability of its business, it is necessary to have a team with multidisciplinary knowledge, able to mitigate risks and guarantee the success of the investment.

In this respect, KPMG has a team made up of specialists in Research, Development and Innovation (RD&I) and its own working methodology that consists of advising companies at several stages when it comes to innovation.

About Us

We are a global practice of incentives linked to RD&I that can help companies navigate this panorama and maximize ROI. Our team has vast knowledge and experience of the industry from several fronts, such as Science, Information Technology, Engineering, Law, Taxes, and Accounting. Accordingly, we operate in all sectors of the industry.



KPMG - Global

Present in 155 countries
RD&I centers:
Australia, USA, Canada
and Brazil



KPMG - Brazil

22 offices / 13 States
RD&I center: São Paulo

Why KPMG?



Multidisciplinary team:

Engineers, lawyers, accountants, economists, administrators



Global company:

Global Incentives (RD&I), intercompany communication and KPMG technical reliability



Saving & Compliance:

Maximization of saving and risk management

Where do we operate?

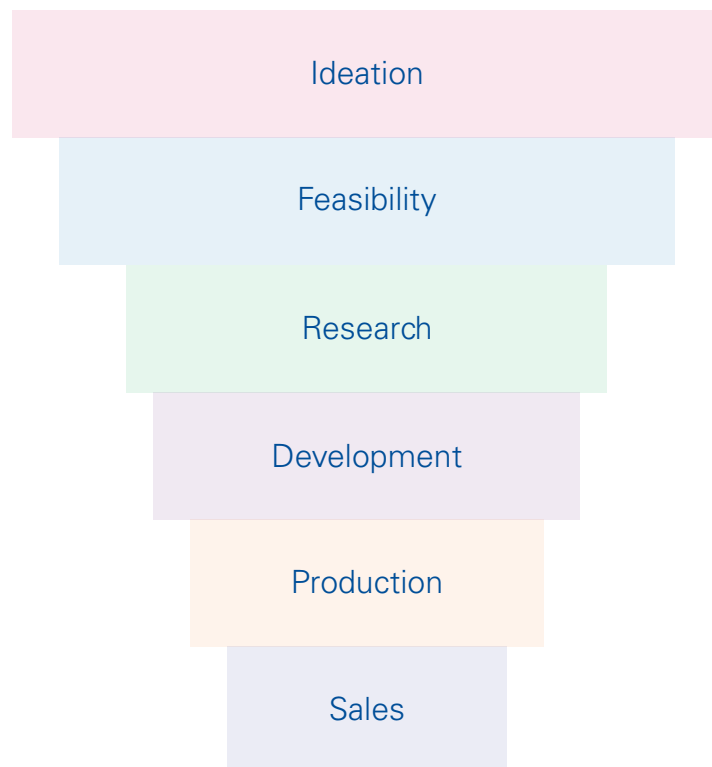
KPMG's RD&I team works in all stages of the innovation process, from the first initiatives and opportunities to deployment of the idea

**Funding
(financing,
grants,
partnerships)**

Tax incentives

**Networking &
Partnerships**

**Innovation
Culture**



**Strategic
Alignment**

**Management
of Intellectual
property**

**Resource
Management
(HR, Finance)**

**Management of
RD&I projects**

Incentives

Your company...

Conduct **research** (new phenomena, applied research)?

Establish **partnerships** (universities, institutes, third parties)?

Invest in **laboratories**?

Protect **intellectual property** (patents, cultivars)?

Elaborate local **devices or tools** (automobile sector)?

Develop new products?

Modify its service?

Make **improvements** (products and processes)?

Increase the performance of its process?

Reduce manufacturing costs?

Modify perceived **quality**?

Does improve your **energy efficiency**?

Apply resources in **Industrial Technology**?

Then it may be able to enjoy...

R&D Incentive (“Lei do Bem”)

Gains for your company

- Gains (tax): 20-34% of the amount spent on technological innovation
- Full depreciation
- 50% IPI (tax on industrialized products) on RD&I Machinery & Equipment
- Does not require government pre-approval
- Income Tax exemption for remittances abroad for expenses on trademarks, patents, and cultivars
- Possibility of reinvesting the deducted amounts in RD&I



Inovar-Auto

Gains for your company

- Reduction of up to 30 % of IPI on the sale of domestic vehicles
- Possibility of obtaining an incentive for tax deductions of up to 50% of the amounts spent on activities of RD&I and Engineering (subject to the respective limits)
- Additional reduction of up to 2% of IPI on the sale of domestic vehicles (energy efficiency target)



Information Technology Law

Gains for your company

- Grants the following tax breaks to computer, automation and telecommunications products that use digital technology and are manufactured or assembled in Brazil, according to their Basic Production Processes (PPB):
 - IPI reduction of 80% until 2024, 75% in 2025 and 2026, and 70% from 2027 to 2029, for PPB products; or IPI reduction of 100% until 2024, 95% in 2025 and 2026, and 90% from 2027 to 2029, for products with PPB and developed in Brazil (Domestic Technology)
 - Reduction of ICMS (state sales tax) on eligible outbound products in some States
 - Suspension of IPI in the import and purchase of inputs in Brazil
 - Suspension of ICMS on import and purchase of inputs in some States



Specific Incentives

- PADIS (Program to Support the Technological Development of the Semiconductor Industry)
- PATVD (Program to Support Technological Development of the Digital TV Equipment Industry)
- REPENBL (Special Taxation Arrangement of the National Broadband Program)

KPMG's RD&I team is poised to help you reach maturity of your idea until it is marketed, using all relevant tax incentives and promoting the sustainability of your business.



OUR PERFORMANCE

Our RD&I Incentives department at KPMG Brasil helps companies make investments in innovation, seeking opportunities from incentive programs to encourage these activities, through innovation-based tax incentive laws and programs such as “Lei do Bem”, “Lei da Informática” and “Inovar-Auto”.

We also provide advisory services with regard to organization of project documentation, guidance on the actions to be taken with vendors, the adaptation of tax documents to legal requirements and throughout the process, from the segregation of the projects’ expenses eligible for the benefits, passing through all areas/departments involved, until the full benefits of the incentives are effectively attained.

How we work



Initial diagnosis



Technical Concepts



Taxes & Proceedings



Ancillary Obligations / Administrative Defenses



Recovery (Saving)



Documentation

Incentives at various points in a RD&I flow



Funding

We develop projects to attract financial and human resources with better conditions applied to the conventional market.



Initial diagnosis



Project



Development agencies



Fund / Accountability

Fundable Items

The main items eligible for incentives are:

- Internal RD&I
- External acquisition of RD&I
- Acquisition of other external knowledge
- Acquisition of software
- Introduction of technological innovations on the market
- Training
- Acquisition of machinery and equipment
- Pioneering production and other preparations for production and distribution
- Merger and acquisition

ACTION LINES

	Pioneering innovation	Innovation for competitiveness	Innovation toward performance	Pre-investment	Critical innovation
Rate	TJLP (Long-term interest rate) + 1.5% p.a	TJLP (Long-term interest rate) + 3.0 p.a.	TJLP (Long-term interest rate) + 4.0 p.a	TJLP (Long-term interest rate) + 5.0 p.a.	TJLP (Long-term interest rate)
Grace period	up to 36 months	up to 36 months	up to 24 months	up to 24 months	up to 48 months
Total Term	up to 120 months	up to 120 months	up to 84 months	up to 84 months	up to 144 months
FINEP interest	up to 80%	up to 70%	up to 60%	up to 60%	up to 90%

The data shown here are merely illustrative and depend on the characteristics of the project.

Contact us

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