

**CONTACTS:**

**Tax:** Marcus Vinicius - [MarcusVinicius@kpmg.com.br](mailto:MarcusVinicius@kpmg.com.br)  
 Rodrigo La Rosa - [RodrigoLaRosa@kpmg.com.br](mailto:RodrigoLaRosa@kpmg.com.br)  
**Restructuring:** Alan Riddell - [ariddell@kpmg.com.br](mailto:ariddell@kpmg.com.br)  
**Legal:** Marcos H M Matsunaga - [mmatsunaga@kpmg.com.br](mailto:mmatsunaga@kpmg.com.br)

Updated as of 03 April 2020 at 18:00pm

**Tax measures – Direct and Indirect**  
*(e.g. payment deferrals, rate reductions...)*

- Excise Tax rates (IPI) levied on products considered essential for the current global moment with the presence of COVID-19, were reduced to zero (0%), by the Federal Government.
- The Chamber of Foreign Trade published a resolution reducing to zero (0%), until September 30, the Import Tax rate of several goods to be used in the fight against COVID-19.
- The Attorney General's Office of the National Treasury suspended, for 90 days, the taxpayers' defense term in the administrative proceedings regarding charges of debts posted in the federal debt roster, as well as authorizing transactions by adhesion regarding debts posted in the federal debt roster.
- The Administrative Council for Tax Appeals (CARF) suspended, until 04/30/2020, the deadlines for the practice of procedural acts in administrative proceedings within its jurisdiction.
- The Attorney General's Office of the National Treasury suspended, for 90 days, the deadlines and charges concerning tax debts within its jurisdiction.
- The [São Paulo](#) City Council suspended, in administrative processes and procedures, all regulated and legal deadlines, for 30 (thirty) days, without prejudice to any extension.
- The [Rio de Janeiro](#) City Council suspended the terms established by tax legislation concerning the filing of objections and administrative appeals, as well as compliance with administrative requirements and cancellation of municipal registration or exclusion of all service activities from the activity registry economic. In addition, it extended for 60 (sixty days) the validity periods of the certificates which expired sixty days before the date of publication of this Decree.
- The President of São Paulo State Court of Taxes determined the interruption of procedural deadlines, due to temporary and emergency measures to prevent contamination by COVID-19, resolving through TIT Act nº 3:
  - \* Interrupt, from March 23, 2020 to April 30, 2020, the procedural deadlines related to processes and physical files pending in this Court and subordinate units, as well as the procedural deadlines related to the processes governed by Decree 54.714 / 2009;
  - \* Clarify that the cases not regulated by the previous item will not have their deadlines interrupted or suspended, as provided in item III of Act TIT 02/2020.
- Decree 10.305/20 reduces to zero the tax on financial transactions daily rate (0.0041% or 0.0082% per day) and its complementary rate (0.38%) levied on credit transactions carried out by individuals and legal entities.
  - The change takes effect for transactions contracted from 03/04/20 to 03/07/20.
  - The reduced rate will also be applied, during the same period, in case of credit transaction's extension, renewal, novation, consolidation, debt confession and other similar transactions, as well as for transactions in default whose taxation has not reached the maximum tax rate of 1.5%.
- The Brazilian IRS extended the deadline of Individual's Income Tax Declaration (DIRPF) related to the calendar year 2019 to June, 2020. It was established that, in case the tax payer opts for prompt payment or payment in installments automatically debited from a bank account, mentioned tax declaration must be submitted:
  - a) until 06/10/2020, for a unique quote or 1st quota; and
  - b) between 11/06/2020 and 30/06/2020, from the 2nd quota.

The Normative Instruction 1.924/20 also revoked the obligation of submitting in Individual's Income Tax Declaration the number of the receipt from the last declaration submitted.

- The normative instruction 1932/20 extends the deadline for filing the Declaration of Federal Tax Debts and Credits (DCTF) and the Digital Tax Bookkeeping of the Contribution to PIS / PASEP, the Contribution for the Financing of Social Security (COFINS) and the Social Security Contribution on Revenue (EFD – Contribution).
  - Mentioned taxes due in April, May and June will be paid in July.
  - The government estimates that R\$ 80 billion will remain in the companies' cash.
- Extends the term for collecting federal taxes due to the COVID-19 pandemic.
  - Social contributions due by employers and domestic employers related to March and April, 2020 should be paid in July and September, 2020, respectively.
  - The terms for collecting PIS/PASEP and COFINS contributions regarding March and April, 2020 were, also, postponed to July and September, 2020, respectively.



Updated as of 03 April 2020 at 18:00pm

Employment-related measures (e.g. state compensation schemes, training...)	Economic stimulus measures (e.g. loans, moratorium on debt repayments...)	Other measures and sources
<ul style="list-style-type: none"> <li>– The provisional measure 932/20 reduces, until 06/30/2020, the rates of contributions to autonomous social services. The reductions were different for each entity that belongs to autonomous social services, varying from 0.05% to 1.25%.</li> <li>– Provisional Measure 936/20 establishes complementary measures with the purpose of maintaining employment and income, during the state of public calamity resulting from the coronavirus (COVID-19). Among the provisions, the following should be highlighted: <ul style="list-style-type: none"> <li>a) the payment of an Emergency Job and Income Preservation Benefit;</li> <li>b) the proportional reduction of working hours and wages; and</li> <li>c) temporary suspension of the employment contract.</li> </ul> <p>The Emergency Employment and Income Preservation Benefit will be paid for with Federal resources, in the event of proportional reduction of working hours and wages and temporary suspension of the employment contract.</p> </li> <li>– The agreement for proportional reduction of working hours and wages may be up to 90 days, subject to the following requirements: <ul style="list-style-type: none"> <li>a) preserving the value of the hourly wage of work;</li> <li>b) the individual written agreement between employer and employee, made 2 days in advance; and</li> <li>c) reduction of working hours exclusively in the percentages of 25%, 50% or 70%.</li> </ul> <p>If the temporary suspension of the employments disregarded, the employer will be subject to the immediate payment of remuneration and social charges for the entire period, plus the penalties established in the legislation and the sanctions determined by the agreement or union agreement.</p> </li> </ul>	<ul style="list-style-type: none"> <li>– Service Guarantee Fund – the FGTS, labor obligation due by employers (indemnity fund), is suspended from March to May 2020. The suspended contributions may be paid in installments without the impact of monetary adjustments, fines, interests or other charges.</li> </ul>	<ul style="list-style-type: none"> <li>– The Foreign Trade Secretariat published a decree creating the Special Export License for Combat Products from COVID-19, which must be presented for the completion of exports in the case of the products deemed essential to combat the COVID-19</li> <li>– Corporations may, exceptionally, postpone their annual general meeting for seven months counting from the end of its fiscal year. Exceptionally during the year of 2020, the Securities and Exchange Commission (CVM) may extend the deadlines for publicly held companies to present the financial statements.</li> </ul> <p>Main sources of information</p> <ul style="list-style-type: none"> <li>— Government of Brazil: <a href="https://www.gov.br/pt-br">https://www.gov.br/pt-br</a></li> </ul>