



The Palacio de Alvorada, Brasília

How to launch your own office in Brazil

- ✓ Register at each state Commercial Registry ("Junta Comercial") to obtain NIRE and CNPJ.
- ✓ Obtain an INSS (National Institute for Social Security).
- ✓ Register for the ICMS with each state's Treasury Affairs.
- ✓ Register with the Municipal Taxpayers' Registry.
- ✓ Apply and obtain digital certification for the use of e-voice.
- ✓ Apply for an Operations Permit.
- ✓ Register and pay TFE.
- ✓ Register all employees in the social integration program.
- ✓ Open an FFGTA in bank.
- ✓ Notify Ministry of Labor.
- ✓ Register with Unions.³

How To Obtain an Architect License

The licensing process for non-Brazilian architects to work in Brazil can be lengthy, taking an average of up to a year.

- ✓ Register with the CAU of the state where the project will take place before being approved.
- ✓ Register with The Council for Architecture and Urbanization of Brazil (CAU/BR).
- ✓ Register with the commercial board of the state in which the company's office will be located.
- ✓ Obtain a federal and state tax number.⁴

Conclusion

Although US Architectural firms face a competitive environment, many US firms have been winning contracts. However, many large procurement projects that involve construction and architectural design services are won by Brazilian engineering and construction companies.

The US Commercial Service recommends US architectural firms with no physical presence in Brazil to partner with Brazilian architectural firms before bidding directly on projects despite the tax increase. However, if your firm is looking at Brazil for the long-term, maybe think about starting your own business.¹

Key Contacts

Info on Project Approvals

Sydney Dias Menezes: President of CAU/RJ
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Info on Registration at CAU

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Info on Architecture and consulting issues

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Local partners or additional info

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 Business Development
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References

1. http://export.gov/brazil/static/CC_BR_DoingBusiness_CCG_PDF_Chap4_ArchitectureConstructionEngineering_Latest_eg_br_062847.pdf
2. <https://globalconnections.hsbc.com/global/en/tools-data/country-guides/br-march-2013/audit-and-accountancy>
3. <http://www.doingbusiness.org/data/exploreeconomies/brazil/starting-a-business/>
4. http://buyusainfo.net/docs/x_1475447.pdf

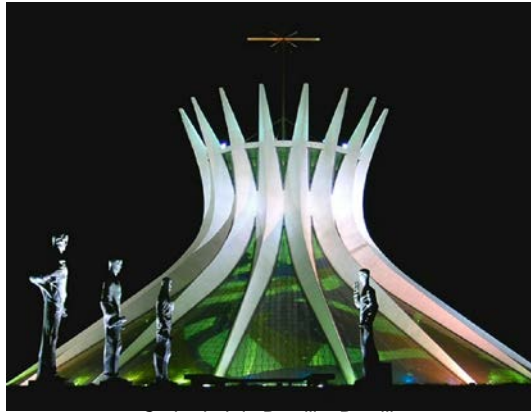


Christ the Redeemer Statue, Rio de Janeiro

ARCHITECTURE & BUSINESS IN BRAZIL



U.S. Department of Commerce



Cathedral de Brasilia, Brasilia

Why Brazil?

Brazil is experiencing major growth in the Architecture industry. It will capture global attention as its major cities are undergoing a construction boom in preparation for the World Cup in 2014 and the Olympic Games in 2016.

The State of Rio de Janeiro estimates that investments in the state from 2010-2016 will reach \$50 billion in sectors including infrastructure, construction, transportation and others.

Architectural design and engineering projects around the country from roads and stadiums to airports and retail space are abundant. ²

Market Challenges

Options for US Architectural firms:

1. Partner with a local firm, licensed to provide services in Brazil (additional costs of up to 40%, see tax section)
2. Set up a business in Brazil and directly obtain a license to provide services in Brazil (only if interested in long-term)

Regulations:

Banking: All banking business is closely monitored by banks themselves and by the Central Bank of Brazil. The types of bank accounts in Brazil are: current accounts, savings, and investment accounts, credit and debit card services, personal loans and overdrafts, and in some cases, foreign exchange services. ²

Accounting: Similar to the International Financial Reporting Standards (IFRS) *Refer to reference 2 for more detailed information.

Corporate Income Tax: Is based on the calendar year, with monthly tax payments and is generally computed using annual or quarterly taxable income. Charged at a rate of 15%
If company's annual income >\$120,000 there will be an extra 10% surcharge. ²

Extra Tax for Partnering with a Brazilian company: a firm should be willing to pay an extra 40% in taxes.

Withholding Tax (IRRF)	25%
Tax on Service (ISS)	5%
PIS*	1.66%
COFINS*	7.6%

*PIS- Program for Social Integration Contribution

*COFINS- Contribution for the financing of Social Security

Leading local Accounting companies:

1. Assmann
2. BDO
3. Baker Tilly
4. Deloitte
5. G. Jacintho
6. KPMG
7. Galloro & Associates

Leading Law Firms:

1. Escritorio de Advocacia Sergio Bermudes
2. Barbosa, Mussnich & Aragao
3. Clarke, Modet & Co.



National Congress of Brasil, Brasilia, Federal District

Real Estate:

Brazil is one of the few emerging markets that allow foreign buyers to own both property and land in their own name. The process is quite simple, one must:

1. Obtain a CPF (tax registration) number from the Brazilian Embassy.
2. Once a CPF is obtained, one can open a bank account.
3. Seek advice of a good lawyer.
4. Finance your property in Brazil.
5. Get issued a Brazilian visa. ²

HR and Employment Laws:

Employees required benefits:

1. Remuneration
2. Government Severance Indemnity Fund (FGTS) which is 8% of their Remuneration,
3. 13th Salary (Christmas bonus),
4. Social Security contribution

Employees Work Conditions:

5. Working hours should not exceed 8 hours a day and 44 hours per week.
6. Minimum wage is set at approximately \$311 per month.
7. Must maintain 2/3 Brazilian vs foreign employees ratio.

See Brazilians Collective Labor Agreements (CLT) for more information. ²