

## **FOREIGN INVESTMENT: CAPITAL SUBSCRIPTION WITH GOODS**

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Foreign investment operations must be registered with the Brazilian Central Bank in order to allow for remittances, interest or capital repatriation, with no restriction.

In connection with the Brazilian Central Bank's rules about foreign capital subscription with assets ( Carta-Circular n ° 2.165/91), those are the following requirements:

### **I) Permission Request:**

Brazilian Central Bank must previously authorize the investment, which procedure requires documents listed below:

- a) Investor must express his intention in subscribing asset and also indicate the total amount of the investment;
- b) Detailed Billing informing the assets to subscribe;
- c) Responsibility Term Form.

### **II) Asset Import**

Investor must use the Central Bank Permission, in up to 180 days, to ask for the Import Form at Foreign Trade Department (Secex) .

### **III) Investment Register**

From up to 180 days from the import clearance, assets might be subscribed to company's capital. Investor must apply for Investment Register at the same department that issued the Import Permission, in up to 30 days from the capital subscription.

Considering this long procedure, that also depends on the import process, it is difficult to estimate the necessary time.

It is worth mentioning that there is no special tax benefits for assets imported to capital subscription, so the regular import clearance must be followed.