

CUSTOMS GUIDE
FOR
2016 OLYMPIC AND
PARALYMPIC GAMES

1ST edition

Brasília - 2015

PRESENTATION

The Customs Guide for the 2016 Olympic and Paralympic Games has as main objectives to inform and orientate on customs procedures to be adopted in the events. In general terms, the Guide was based on Law No. 12.780, as of 2013 (2016 Olympic and Paralympic Games Law), Decree No. 8463, as of 2015 and the various regulations of the Federal Revenue of Brazil governing the tax and customs measures relating to goods for the events of the 2016 Olympic and Paralympic Games. The Guide also complements standards referred to therein to define terms to be used and procedures to be adopted.

The information and guidelines contained herein are intended for foreign sports delegations and other entities that will organize and implement events of the 2016 Olympic and Paralympic Games and especially for their logistics providers and customs brokers regarding customs procedures for imports and exports under cargo status. The information and guidelines also apply to nonresident media professionals in Brazil, bringing in their luggage from abroad professional equipment for media coverage of the events.

The Guide is divided into three sections, with detailed information on the tax treatment and customs procedures to be adopted in respect to accompanied baggage of travellers and cargo intended for the event. Section 1 deals with general information on importation and exportation. Section 2 deals with peculiarities regarding the importation of goods, whether forming part of the traveller's accompanied baggage, whether brought via international courier companies ("door-to-door" transport, or whether brought as cargo. Section 3 deals with the return abroad of goods that have entered the country under the temporary admission regime, i.e. the re-exportation of goods such as accompanied baggage, or brought by international courier companies or brought as cargo.

Further information can be obtained on the Federal Revenue of Brazil website: <http://www.receita.fazenda.gov.br/Legislacao/GrandesEventos/default.htm>.

**BASIC CUSTOMS LEGISLATION FOR THE 2016 OLYMPIC AND
PARALYMPIC GAMES**

- Law No. 12.780, January 9, 2013
- Decree No. 8.463, June 5, 2015
- Decree No. 6.759, February 5, 2009
- Normative Ruling RFB No. 1.361, May 21, 2013
- Normative Ruling RFB No. 1.412, November 22, 2013
- Normative Ruling RFB No. 1.385, August 15, 2013
- Normative Ruling RFB No. 1.059, August 2, 2010
- Normative Ruling SRF No. 634, March 24, 2006
- Normative Ruling SRF No. 680, October 2, 2006
- Normative Ruling SRF No. 611, January 18, 2006
- Normative Ruling SRF No. 225, October 18, 2002
- Normative Ruling SRF No. 121, January 11, 2002
- Normative Ruling SRF No. 28, April 27, 1994

GLOSSARY

- ADE** - Executive Declaratory Act
- ANVISA** - National Health Surveillance Agency
- APP** - Application
- CE** – Electronic Bill of Lading/Airway Bill
- CIO/COI** – International Olympic Committee
- CNPJ** - National Register of Legal Persons
- CPF** – Registry of Individuals (Natural Persons)
- DARF** – Federal Revenue Tax Collection Document
- DBV** – Travellers Goods Declaration in paper
- DE** – Export Declaration
- DECEX** - Department of Foreign Trade Operations
- DERE** – Export Declaration of Express Shippin
- DI** – Import Declaration
- DIRE** – Import Declaration of Express Consignments (Courier)
- DSE** – Simplified Export Declaration
- DSE eletrônica** – Electronic Simplified Export Declaration
- DSE formulário** - Simplified Export Declaration form
- DSI** – Simplified Import Declaration
- DSI eletrônica** – Electronic Simplified Import Declaration
- DSI formulário** – Simplified Import Declaration form
- ECT** – Post and Telegraph Company
- e-DBV** – Electronic Traveller Goods Declaration
- GLME** – Foreign Goods Release Guide
- ICMS** - Tax on Circulation of Goods and Services for Interstate Transportation and Communications.
- IN RFB** - Normative Ruling of the Federal Revenue of Brazil
- IN SRF** - Normative Ruling of the Federal Revenue Secretariat
- NCM** – Mercosur Common Nomenclature
- NIC** – Cargo Identification Number
- PGS** – Joined Documents Generating Program
- RAT** – Application for Temporary Admission

RFB – Federal Revenue of Brazil

SISCOMEX – Foreign Trade Integrated System

SRF – Federal Revenue Secretariat

TDR – Term of Donation and Receipt

TR – Term of Responsibility

VIGIAGRO – Agro-livestock (Farming) Surveillance International System of the
Ministry of Agriculture, Livestock and Food Supply

USEFUL LINKS

RFB Internet Site:

<http://idg.receita.fazenda.gov.br/>

Email to consult on fiscal classification of goods to be imported for the 2016 Olympic and Paralympic Games:

gtclm@receita.fazenda.gov.br

PHONES AND ON-CALL SERVICES

Access:

<http://idg.receita.fazenda.gov.br/sobre/acoes-e-programas>

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SUMMARY

Chapter 1 General Information on Imports and Exports

Section 1 Introductory Provisions

Section 2 Main intervening parties in export and import operations

Chapter 2 Imports

Section 1 Introductory Provisions

Section 2 Imports of goods as part of accompanied baggage

2.1 Definition

2.2 Special procedures applied to the import of goods destined to the Olympic and Paralympic Games brought by nonresident travelers.

2.2.1 Who are these travelers?

2.2.2 Which goods are eligible to the baggage regime?

2.2.3 Goods subject to restrictions and conditions

2.2.4 Length of stay of the goods

2.2.5 Procedures

2.2.5.1 Personal effects presented individually

2.2.5.2 Goods presented collectively by the sports delegations or professional team

2.2.5.3 Medical equipment

2.3 Special procedures applied to the import of goods by media professionals and radio and television technicians

2.3.1 Who are they?

2.3.2 Which goods are eligible for baggage treatment

2.3.3 Goods subject to restrictions and conditions

2.3.4 Length of stay of the goods

2.3.5 Procedures

2.4 Baggage of Brazilian athletes returning from abroad

2.5 Contingency for the Electronic Traveler Goods Declaration (e-DBV)

2.6 Return of goods abroad and carrying of values

2.7 Goods destroyed in accidents, lost or stolen goods

2.8 Payment of Import Tax

2.9 Questions and Answers

2.10 Applicable rules

Section 3 Import of goods via international courier transport companies (door-to-door)

3.1 Definition

3.2 Who can use it

3.2.1 – Temporary import of goods

3.2.2 – Tax exemptions specific to events related to the 2016 Olympic and Paralympic Games

3.3 Goods subject to restrictions

3.4 Restrictions and conditions

3.4.1 – Transfer of goods to third parties

3.5 Procedure

3.5.1 – Procedures for the Temporary Admission of goods

3.5.2 Procedures for tax-free import of goods

3.6 Goods damaged in accidents, lost, stolen or robbed

3.7 – Questions and Answers

3.8 - Rules applicable in addition to the provisions of this Guide

Section 4 Import of goods as cargo

4.1 – General information

4.1.1 - Definition

4.1.2 – General information about customs clearance

4.1.3 – Licensing for operating Siscomex

4.1.4 – Ways to promote the import of goods

4.1.4.1 – Direct import of goods

4.1.4.2 – Import of goods on behalf of third parties

4.1.4.3 – Import of goods under purchase order

4.1.4.4 – Import of goods via a logistic operator

4.1.5 – Advance customs clearance

4.1.6 – Early delivery of good

4.2 Import of goods with tax exemption

4.2.1 Beneficiaries of imports with tax exemption

4.2.2 Goods to which exemption applies

4.2.3 Restrictions and conditions

4.2.4 Procedures

4.2.4.1 Import Declaration on Siscomex

4.2.4.2 In case of refusal of customs clearance

4.2.4.3 Delivery of goods to the importer

4.2.4.4 Waiver from import ancillary obligations

4.2.5 Special procedures applied to imports of goods belonging to athletes, Olympic and Paralympic teams, CAS and WADA, and accredited media companies and broadcasters

4.2.6 Transfer of goods to third parties

4.3 Imports under temporary admission regime for use at sports events

4.3.1 Beneficiaries of importation with tax suspension

4.3.2 Goods to which suspension customs regimes is applicable

4.3.3 Restrictions and conditions

4.3.4 Maximum Term

4.3.5 Procedures

4.3.5.1 Procedure based on this Guide (Law n° 12.780, 2013)

4.3.5.1.1 Instrument and intermediation of logistic operator

4.3.5.1.2 A prerequisite for registration of the Import Declaration (DI) or the Simplified Import Declaration (DSI)

4.3.5.1.3 Instruction of the Import Declaration (DI) or the Simplified Import Declaration (DSI)

4.3.5.1.4 Regime concession

4.3.5.1.5 Warranty waiver for suspended taxes

4.3.5.1.6 Refusal of regime (appeal, DI cancellation and other orders)

4.3.5.1.7 Delivery of goods to the importer

4.3.5.1.8 Special procedures applied to imports of goods for National Olympic Committees, Paralympic Committees, international sports federations, CAS and WADA

4.3.5.1.9 Termination of Regime

4.3.5.2 Procedure based on IN RFB No. 1361, 2013

4.3.5.2.1 Instrument and intermediation of logistics operator

4.3.5.2.2 Prerequisite for DI or DSI registration

4.3.5.2.3 Instruction of the Import Declaration (DI) or the Simplified Import

4.3.5.2.4 Regime Concession

4.3.5.2.5 Warranty waiver for suspended taxes

4.3.5.2.6 In case of refusal of the regime (appeal, cancellation of DI and another clearance)

4.3.5.2.7 Delivery of goods to the importer

4.3.5.2.8 Termination of the temporary admission regime

4.3.5.3 Comparative Table of temporary admissions based on this Guide (Law N. 12.780, as of 2013) and on IN RFB N. 1.361, as of 2013, in the context of the 2016 Olympic and Paralympic Games

4.4 Questions and Answers

4.5 Additional applicable norms to the provisions of this Guide

Chapter 3 Exports

Section 1 Introductory Provisions

Section 2 Exports of goods as part of accompanied baggage

2.1 Definition

2.2 Reexportation of goods imported as accompanied baggage or by means of an international courier company (door-to-door transport)

2.2.1 Carrying values over BRL 10.000,00 (ten thousand reais) or equivalent in other currencies

Section 3 Reexportation of goods via international courier company (door-to-door transport)

Section 4 Reexportation of goods as cargo

Section 5 Additional applicable norms to the provisions of this Guide

CHAPTER 1

General Information on Imports and Exports

SECTION 1

Introductory Provisions

In Brazil, there are three main ways to carry out an import or export operation, though some of them present restrictions related to the type of good that will be object of the operation or to the its purpose.

The first way, in import mode, corresponds to that applied to goods conveyed as cargo by an international courier company, from abroad until a port, airport or border point in Brazil or, in export mode, to that in which an international courier company takes the goods abroad from a port, airport or border point in Brazil.

In this “cargo” modality, in import, goods are delivered by the international transporter to the importer or depositary at a port, airport or border point, being the importer responsible to carry out or hire all the bureaucratic procedures to pick up the goods at the disembark area or border crossing.

For “cargo” export, the good is taken by the exporter, or by a domestic carrier hired by the first, until a port, airport or border point within national territory, where the good will be submitted to customs controls. After the procedures, they can be delivered to an international carrier to be taken abroad.

This modality is known as “import as cargo” or “export as cargo” but, in general, this modality is known solely as “import” or “export”.

The second modality is the good brought from abroad straight to the importer’s address in Brazil, or taken from Brazil to the recipient’s address abroad – thus called “door to door” import or export. In this modality, the international transporter is known as “international courier”. In Brazil, this modality, when applied to international air transport, is known as “express shipping”. It is important to highlight that, in Brazil, there is no such “door to door” import or export by water or land, except in operations carried out through the Post and Telegraph Company (ECT).

Finally, the good coming from abroad or headed abroad may enter or leave the country in the baggage of a traveler – thus called import or export as accompanied baggage.

Obviously, the baggage of a traveler may also be sent and arrive in the country unaccompanied, before or after the traveler's arrival but, in this case, it is "import as cargo". What distinguishes accompanied from unaccompanied baggage is that the first happens when the baggage is transported in the traveler's own vehicle or by the transport company under the same contract as the traveler, in the same vehicle that is taking the traveler, there being no knowledge of transport that responds for it, only a baggage ticket for baggage items carried in a hold or vehicle rack, or no identification for hand luggage. For "imported as cargo" or "exported as cargo" baggage, it will always be identified by a bill of lading, which is the document that allows the addresser to claim it.

These three modalities will be detailed in this guide, together with information about its restrictions regarding types of goods and their purposes.

Whichever the modality of import or export, it is important to highlight that the imported or to be exported goods need to be submitted to Customs and, in most cases, be listed in a customs declaration which, depending on the modality, will be the responsibility of the courier, the importer or the exporter.

Once the customs declaration is presented, it will be registered at Customs and may be submitted to customs control, with or without physical inspection of the imported goods. This procedure, carried out by the customs authority after recording the corresponding declaration is called "customs clearance".

In Brazil, the Federal Revenue of Brazil carries out operations of customs management, and it is in charge of controlling vehicles, cargo and goods that enter or leave national territory. It is the Federal Revenue that records every customs declaration and processes their corresponding customs clearances. In this role of customs authority, the Federal Revenue also charges and supervises the due taxes on external trade operations and trade rights (antidumping rights, safeguards and compensatory measures).

In a few cases, the import is also subject to prior licensing from the international trade authority, which is executed by the External Trade Secretariat (Secex). The export of a few goods may also depend on previous registration at the Secex. In most cases, however, registration and license are not necessary.

In most cases, imports and exports also depend on previous consent (authorization) by other authorities in charge of specific technical areas, such as public health, phytosanitary and zoosanitary controls and public security.

Control executed by Secex and specialized authorities in the abovementioned areas precede customs clearance, both for import and export.

In the case of accompanied baggage, there are situations in which the traveler does not need to declare his goods at Customs, but there are cases in which the legislation imposes the declaration of goods brought from abroad in the baggage or taken abroad and, depending on the situation, the duty to pay importing taxes. Among the goods that the traveler must declare to Customs is also the carrying of money (cash) above R\$10.000,00 (ten thousand reais) or the equivalent in other currencies.

In the case of imported or exported goods by means of an international courier company, the obligation to declare the operation to Customs does not fall on the importer or exporter, but on the courier company.

It is important to keep in mind that, in Brazil, besides federal taxes, the import of goods in cargo modality (and in some states in the import of goods via courier as well) will be charged with the ICMS (Tax on Circulation of Goods and Services for Interstate Transportation and Communications), which is a State and Federal District tax. And for customs clearance of imported goods as cargo, it is mandatory that States and Federal District treasury authorities issue a document called GLME (Guide for Foreign Merchandise Release), or dismiss such issuance. Without the GLME or its dismissal, the Federal Revenue (Customs) cannot authorize the delivery of the imported good to its addressee. The arrangements for the issuance of such document must be made by the importer at the treasury authorities of the States or Federal District.

Depending on the State, there will be release from the duty to issue the GLME for imports for events related to the Olympic and Paralympic Games 2016. These events are: official trainings and competitions, even test-events; International Olympic Committee (COI) or International Paralympic Committee (CPI) summits; banquets; opening and closing ceremonies, awards; drawings, seminars, meetings, conferences, workshops, press conferences, etc.

SECTION 2

Main intervening parties in export and import operations

In import or export as cargo operations, there are several intervening parties that will be mentioned throughout this Guide. In order to explain their role in the logistics and

in the import and export processes, below is a list of the main intervening parties in Brazil's foreign trade.

International transport courier: company that transports the good from abroad to Brazil and vice-versa. The courier issues the document that allows the Importer to claim the imported good. This document is called Bill of Lading (BL) for waterways, Air Way Bill (AWB) for air transport and Knowledge of Transport (CT) for land transport. Without this document, the addressee (the person to whom the good shall be delivered in the import country) does not have the right to declare the good at Customs or claim it at the port/airport authority.

International courier: international transporter that also takes the good within the domestic stretch of the import and export operation, thus carrying out the "door to door" transport between exporter and importer.

Importer: private individual (resident or not in Brazil) or national legal entity that promotes the entering of a good or merchandise coming from abroad, or that who drives/pilots his transport vehicle in its entrance in Brazilian territory. In general, the importer is the addressee of the good mentioned in the transport document.

Exporter: private individual (resident or not in Brazil) or national legal entity that promotes the exiting of a good or merchandise leaving the country, or that who drives/pilots his transport vehicle in its exit of Brazilian territory. In the case of temporary admission (imports), the person who promotes the re-export of a good or merchandise abroad is the importer himself.

Cargo agent/ shipping agent: company that represents, in Brazil, the international courier (if not a Brazilian company), and that hires on its behalf, charges for the shipping and issues the transport document.

Port/Airport Authority: company that operates the port/airport infrastructure or land border, receives and stores cargo, notifies Customs about cargo arrivals from abroad (notifies cargo presence), manipulates cargo to present it to custom control and delivers cargo to importer or to the international transporter (in its return abroad) after custom release.

Depositary: company responsible for warehousing goods during import or export. It can be the port or airport authority themselves, but it can also refer to a dry port, that is, a warehousing precinct situated outside the international port or airport.

Custom broker: representative of importer or exporter (in Brazil). He is the one who makes the custom declarations on their behalf and present them to Customs, together

with all the other necessary documents for custom clearance, such as the transport document, the packing list, etc. In Brazil, the importer and the exporter may present custom declarations and the other instructing documents straight to Customs, dispensing the intermediation of the custom broker.

Logistics Event Operator (or simply Logistics Operator): private individual or legal entity that registers in his name (via normative ruling and/or prior approval by the Federal Revenue) imports or exports on behalf of a third party (national or foreign) in order to organize or carry out a sports, cultural event, etc. The logistics operator may offer to a third party, besides the import intermediation, related services to release imported goods or export or re-export of goods, such as custom clearance or cargo logistics services. In general, these services include imported cargo retrieval from port/airport or dry port and its delivery to the importer during import operations and transport to embarking port/airport during export operations, besides including intermediation services with port/airport authorities and with the international transporter, procedures at other public entities (if necessary) and internal cargo transport.

Foreign Trade Office (Secex): office from the Ministry of Development, Industry and Foreign Trade (MDIC) responsible for the trade policy and managerial (trade) control of imports and exports. The Secex operates the registry system of exports and prior licensing of imports.

Federal Revenue of Brazil (RFB): office from the Ministry of Finance that executes the functions of federal and customs treasury administration, controlling vehicles, cargo and goods that enter or exit national territory, charging and supervising incident taxes on external trade and trade rights, and supervising the regularity of imports and exports regarding their management.

National Health Surveillance Agency (Anvisa): federal regulatory agency responsible for sanitary control, aiming at protecting the population's health. It approves medical, pharmaceutical and food products, toiletries and household products. Within international trade, it is responsible for the authorization to import and export such products.

Agro-livestock (Farming) Surveillance International System (Vigiagro): it is the border entity at the Ministry of Agriculture, Livestock and Food Supply (MAPA) responsible for phyto and zoosanitary controls applied to the goods for international trade.

Board for the Surveillance of Controlled Products (DFPC) of the Brazilian Army: within foreign trade, the DFPC is responsible for approving imports and exports of firearms, ammunition and accessories, and for authorizing the entrance of firearms and ammunition in the country as baggage of athletes for international competitions, as well as for the issuing the Transit Guide for firearms to be used by foreign delegations in official shooting competitions in the country.

State treasury: tax authorities from the States of the Federation and the Federal District, which supervise and charge the Tax on Circulation of Goods and Services for Interstate Transportation and Communications (ICMS), which includes imports. State treasury authorities are responsible for issuing the Foreign Goods Release Guide (GLME)

CHAPTER 2

Imports

SECTION 1

Introductory Provisions

Import refers to the introduction in national territory of a good brought from abroad.

Even in the hypothesis of a re-introduction in national territory (re-import), the import operation will always be subject to customs control. This means that the imported good must be manifested by the international transporter at the entrance in national territory and should be disembarked in a place under customs control. Customs control may also impose on the importer, depending on the situation, the obligation of presenting an import declaration as prior condition to customs clearance of the good.

The hypotheses of exemption of import declaration do not exempt the good to be subjected to some customs control procedures, such as declaration by the transporter in transport document or presentation to customs authority for physical inspection.

As a general rule, imported goods are also subject to taxation, but there are several instances of exemption or suspension of such taxation. And there are also instances of non-incidence, such as the mistaken entrance of foreign goods to the country (provided that it is returned abroad).

SECTION 2

Imports of goods as part of accompanied baggage

2.1 Definition

Accompanied baggage is the set of goods the traveler brings along when entering the country or takes abroad, in his own vehicle (car, vessel or aircraft), or transported by the transport company in the same vehicle that takes the traveler, whose bags might be identified by baggage tickets or with no identification (such as hand baggage or the one transported in private vehicle).

The treatment of accompanied baggage is also applied to baggage that arrives to the country before or after the traveler for reasons beyond his control, such as the case of “missing baggage”.

Tax rules and procedures related to the import of goods as accompanied baggage are stated in the Customs Guide and, additionally, in Normative Rulings RFB n. 1059, from August 2nd 2010, and n. 1385, from August 15th 2013.

When mandatory to declare goods to the Federal Revenue (Customs), this obligation is carried out by means of the Electronic Traveler Goods Declaration (e-DBV) which, after electronically transmitted, receives a number. This number must be presented to the Federal Revenue (Customs) upon the arrival of the traveler at the airport, port or border point in Brazil, for registration and customs clearance. The e-DBV is also used to clear the values that must be declared (entering or exiting Brazil), and for customs control of return abroad of goods that were temporarily imported (temporary admission) by means of the e-DBV.

However, athletes, members of Olympic and Paralympic teams, referees and antidoping professionals, among others, enjoy a more simplified treatment of their baggage, stated in this chapter.

It is important to observe, however, that it is not any kind of good that can be cleared through the simplified customs procedures and enjoy tax exemption. The

goods destined for trade cannot be cleared as baggage and do not have the right to tax exemption.

There are also cases in which import is prohibited (such as narcotic drugs), and there are others in which import depends on personal authorizations, such as animals, firearms and ammunition.

2.2. Special procedures applied to the import of goods destined to the Olympic and Paralympic Games brought by nonresident travelers.

2.2.1. Who are these travelers?

Members of sports delegations that will participate in the Games (including training and test-events), such as athletes, coaches trainers, medical and related personnel, managers and support staff in general, referees and antidoping professionals, members of IOC/COI, IPC/CPI, members of Olympic Committees and international sports federations, from WADA and CAS, and accredited observers (members of foreign entities from countries that will host the next Olympic events).

Guests and media professionals traveling with the delegation are not considered members of the delegation. For media professionals, see the explanations in item 2.3 of this section.

The baggage regime does not depend on clearance from foreign entities or the traveler at the Federal Revenue (Customs).

Travelers described in item 2.2 – athletes, trainers, medical and related personnel, referees, antidoping professionals, managers and support staff, or members of sports entities, WADA and CAS, who show up in uniform, and identified in specific lists by Rio 2016 or show credentials – are hereby recognized as travelers.

2.2.2. Which goods are eligible to the baggage regime?

New or used goods for personal use, such as garments, sports delegation commons, medical supplies and equipment, cooking utensils, food, equipment for referees and antidoping professionals, as well as other items intended for their activities, including administrative, can be imported under the baggage especial tax regime (RTE).

Also under the same regime are the goods of symbolic value or commemorative, such as trophies, medals, plates, statues, badges, banners and flags,

regardless of quantity, provided that they are brought in the baggage of people referred to in item 2.2.1 in this section.

2.2.3. Goods subject to restrictions and conditions

Durable goods contained in baggage enter the country under the temporary admission regime, which compels its return abroad or the adoption of other mode of extinction of the regime, such as a donation or destruction.

Pets may only enter Brazil with its international veterinary certificate (CZI). This also holds for guide dogs.

Arms and ammunition as baggage of athletes in international competitions must get prior approval from the DFPC of the Brazilian Army and their transit in Brazil depends on the issuance of a Transit Guide by the same authority. For foreign athletes, this authorization and the Transit Guide must be asked by the entity promoting the sports event.

Alcoholic beverages, cigarettes, cigars and tobacco imported as baggage are subject to the following quantitative restrictions, respectively: twelve (12) liters, 10 packs with up to 20 units each; 25 units and 250 grams, per traveler.

Drugs for personal use of the traveler are allowed and do not need to be declared. Any other situation, the import of medications must be declared and its clearance requires authorization by Anvisa.

Prohibitions on customs clearance under the RTE: goods for trade, drugs and prohibited substances in Brazil, vegetables and their parts and products of animal origin without their required health certificates.

Medical apparatus and utensils for personal use of the traveler are allowed and do not need to be declared, but the equipment of the healthcare professional may only be imported in accordance with item 2.2.5.3 below.

Goods coming into Brazil unaccompanied by their owners/holders and not covered by a transport knowledge declaration are treated as cargo and cannot be cleared in the form of this section. For import as cargo, read the content of section 4 of this chapter.

2.2.4. Length of stay of the goods

In case of no requirement for an entry visa, the term of the entry visa of the nonresident alien in Brazil, or within ninety (90) days.

2.2.5. Procedures

2.2.5.1. Personal effects presented individually

Goods presented on site by any traveler described in item 2.2 will have the ordinary treatment of goods contained in the baggage of a nonresident traveler to Brazil.

Non-resident travelers bringing foreign goods exceeding the overall value of US\$ 3,000.00 (three thousand US dollars) are subject to the mandatory declaration, excluding:

- Guide dogs;
- Items of clothing, and specific goods for the professional or sports practice of the traveler (specifying list in Annex 10), provided that they are used for the Games; and
- Commemorative objects, such as trophies, medals, plates, statues, badges, banners, flags and others, provided that they are used in sports events related to the Games.

The following goods must also be declared, regardless of their individual or aggregate value:

- Animal (except guide dogs), plant, or parts thereof, products of animal or plant origin, including foods, seeds, veterinary products and pesticides;
- medical devices, in vitro diagnostic products, cleaning products, instruments and materials for cosmetic or dental use, or biological materials;
- devices and equipment in general, except equipment and instruments of personal use of the traveler (such as blood pressure monitors, glucometers, etc.)
- medications or food of any kind, including vitamins and dietary supplements, other than those for personal use;
- firearms and their parts, which can only be imported temporarily (regime of temporary admission), for sports competitions, through authorization by the DFPC from the Brazilian Army and the issuance of the Transit Guide that will allow the circulation of firearms in the country; applying for this authorization and respective transit guides for foreign athletes must be done by the international entity promoting the event;

- ammunition, whose import also depends on the authorization by DFPC and the issuance of the Transit Guide, required by the international entity promoting the event, in the case of foreign athletes;
- goods for legal entities (which must be separated from the traveler's baggage and cleared by the addressee through customs declaration);
- goods, except those for personal use (garments, cosmetics, hygiene and cleaning materials, etc.), that will remain in the country (except for items of symbolic value or commemorative ones, such as trophies, medals, plates, statues, badges, banners, flags and other commemorative objects), in an amount exceeding the exemption limit for the means of transport, i.e.:

- US\$ 500.00 (five hundred US dollars) or the equivalent in another currency, when

the traveler enters the country by air or sea; or

- US\$ 300.00 (three hundred US dollars) or the equivalent in another currency, when the traveler enters the country by land, river or lake;
- goods intended for trade (which must be separated from the traveler's baggage and cleared by the addressee through customs declaration, proper for trade).

Money in cash carried by the traveler, up to BRL 10.000,00 (ten thousand reais) or the equivalent in other currencies on entry into the country, must also be declared in the e-DBV.

The goods whose declaration is mandatory must be listed in an e-DBV, which may be filled in the Federal Revenue website (www.receita.fazenda.gov.br) or in a tablet or smartphone, whose app is available at the Apple Store and Play Store – App “Viajantes” by Serpro.

The referred e-DBV can be completed and transmitted electronically even before leaving for Brazil, but upon arrival in the country, the traveler should go the Federal Revenue of Brazil (Customs) to register this declaration statement, in order to regularize the situation of the goods or the carrying of values. The e-DBV system allows for the transmission of the declaration up to 30 days of the arrival date informed in the declaration.

Travelers who are not in any of the situations listed above, despite this release, are not exempt from physically presenting their goods to customs control, in case they are

asked to do so by the customs authority. In this hypothesis, the presence of the traveler or a legal representative will be demanded, to accompany the physical inspection of his goods and the actions of the customs officials. The traveler must be ready to give the required information.

2.2.5.2 Goods presented collectively by the sports delegation or professional team

The goods from a sports delegation, the referees team or antidoping professionals presented collectively can be declared to the Federal Revenue (Customs) through only one e-DBV, by the person responsible for the whole delegation, through rapid access to the Federal Revenue website (www.receita.fazenda.gov.br) or using tablets or smartphones, whose app (Viajante) is available at the Apple Store and Play Store.

It is important to highlight that firearms and ammunition cannot be declared collectively. These items must be declared in the athletes' respective e-DBVs.

Note that, in this form, it is possible to declare both medical equipment as well as any other good of the delegation/team, including the carrying of values. In the field "Full Name"(traveler), the name of the foreign delegation must be informed, followed by a hyphen and the name of the person responsible for the customs clearance of the the baggage. In the field "Number of Passport or Identity Document", the number of the passport or identity of the person responsible for the customs clearance should be informed.

The person responsible for the baggage may be one of those that integrate the foreign delegation or a customs agent who presents itself upon the delegation arrival. Any of these people should follow the customs clearance procedure, including physical inspection, until its completion.

Up to US\$ 3,000.00 (three thousand US dollars) or the equivalent in another currency per delegation person, there is a waiver from presenting this declaration. Therefore, for example, a delegation of 40 persons is not required to declare assets comprising their luggage up to the amount of US\$ 120,000.00 (one hundred and twenty US dollars) or its equivalent in another currency. However, medical equipment, material and medicaments must be declared regardless of their value.

The values above are not supposed to cover garments and specific goods for the sports practice of the members of the delegation or for professional use of the

team (the complete list is in Annex X), as well as commemorative objects, provided that they are used for events related to the Games.

Sports delegations and referees' teams and antidoping professionals, even in situations of release from customs declaration, are not exempt from presenting their goods to customs control, should it be asked by the customs authority. In this situation, the presence of a member of the delegation, or of a responsible person for the customs clearance of its baggage is demanded, to accompany the physical inspection and other acts performed by the customs officials; this person should be ready to give all the information requested by the authorities.

The import of foods does not need to be declared, provided it fulfills the requirements of sanitary control by Vigiagro and Anvisa.

Goods admitted to Brazil under the regime of temporary admission must be re-exported and their presentation for Federal Revenue (Customs) control might be demanded by a customs authority at the shipping/boarding site or at the anticipated check-in.

Money in cash of the delegation (not to be confused with the personal money of its members) must be declared when their total value exceeds BRL 10,000.00 (ten thousand reais) or the equivalent in other currencies, using the e-DBV.

The personal cash of a delegation member, when exceeding the value above, must be declared in accordance with item 2.2.5.1 above.

2.2.5.3. Medical equipment

Preliminarily, it should be noted that the release of such equipment by the Federal Revenue of Brazil (Customs) depends on the approval by the health authority agency. Sports delegations should seek information from the National Health Surveillance Agency (ANVISA) to learn instances for permission of equipment and comply with the procedures that must be performed prior to their arrival in Brazil. Read and follow the instructions laid down by the referred agency on ANVISA - RDC n ° 2, of 4 January 2013.

Such equipment must be physically kept separate from other goods and be submitted and declared to the Federal Revenue of Brazil (Customs).

Equipment for personal use of the traveler are exempt from being declared, but the equipment presented as collective baggage of delegation/team, as well as medications and medical material in general, must also be previously declared through the e-DBV.

The customs clearance of such equipment in temporary admission regime by the responsible for the delegation/team (in the case of goods presented collectively) may be done through the same e-DBV used to declare the other goods of the traveler or delegation/team.

As a general rule, medical equipment can only be imported under the temporary admission regime, that is, under the special customs regime of temporary admission. They cannot stay in the country at the end of the participation of the foreign delegation in the Olympic or Paralympic Games, and must be presented to the Federal Revenue (Customs) on the return of the delegation abroad, to write off the responsibility for the temporary admission customs regime.

Alternatively, if there is an Anvisa permit, these goods can be imported on a permanent basis.

The system for the Electronic Traveler Goods Declaration (e-DBV) is available at the Federal Revenue website (www.edbv.receita.fazenda.gov.br) in Portuguese, Spanish and English, and the traveler will be able to fill in all due information and send his declaration electronically to the Federal Revenue (Customs), up to the moment when he goes through customs controls in Brazil. The e-DBV program can also be run on tablets and smartphones; just download the app “Viajantes” from Serpro, available at the App Store and Play Store.

This e-DBV may be prepared and transmitted electronically even before boarding to Brazil but, upon arrival or disembark in the country, the traveler must look for the Federal Revenue (Customs) at the airport, port or border point to register such declaration, in order to regularize the situation of the goods or carrying of values.

2. 3. Special procedures applied to the import of goods by media professionals and radio and television technicians

2.3.1. Who are they?

Nonresident journalists, camera operators and technicians for installation, operation and maintenance of radio and television.

2.3.2. Which goods are eligible for baggage treatment

As accompanied baggage, apparatus and equipment can be imported, new or used, of photography, radio and television, such as photo and filming cameras, together with compatible quantities of batteries and accessories; portable devices for

recording and reproduction of sound and image, accompanied by compatible quantity the corresponding supporting physical means of the recordings, batteries and accessories appliances; mobile phone; binoculars, hand tools and other objects, including portable computers to perform the professional activity.

2.3.3. Goods subject to restrictions and conditions

All the above appliances and equipment, parts and pieces thereof, when integrating the baggage of the professionals mentioned, can only enter the country under the temporary admission regime. This means that they should be re-exported, even if damaged or inoperative by the end of the concession period of the regime.

Prohibitions: equipment that might interfere with telecommunications in Brazil.

2.3.4. Length of stay of the goods

The term of the entry visa in Brazil of the nonresident alien, or within ninety (90) days, in case of no requirement for an entry visa.

2.3.5. Procedures

These goods for professional use should be declared to the Federal Revenue of Brazil (Customs) at the time of arrival in Brazil, by means of the Electronic Traveler Goods Declaration (e-DBV). This declaration can be filled in the Federal Revenue website (www.edbv.receita.fazenda.gov.br), in Portuguese, Spanish and English, or through tablets and smartphones, with the app “Viajantes” by Serpro, available at the Apple Store and Play Store.

The said e-DBV can be prepared and transmitted electronically, up to 30 days before the shipment to Brazil, but when disembarking here, the traveler should look for the Federal Revenue of Brazil (Customs) to register the declaration, in order to regularize the situation of the goods or carrying of values.

To effect the return of the goods, the traveler should inform in the same e-DBV that instructed their entry (if not exempt to declare), the date and number of the return flight abroad.

It is noteworthy that, up to the amount of \$ 3,000.00 (three thousand dollars), considered all of the goods in his luggage, or the equivalent in another currency, the traveler is not required to declare to the Federal Revenue of Brazil (Customs).

The custom clearance terminating the temporary admission regime for accompanied baggage may be done previously at the Olympic Village, through

anticipated check in, provided that the good cleared remains under the custody of the airline company from the check in until boarding to go abroad.

The return abroad of imported goods as baggage may also be done as cargo or shipment by international courier. For further information, see sections 3 and 4 of Chapter 3 of this Guide.

2.4. Baggage of Brazilian athletes returning from abroad

When Brazilian athletes who are participating in the Olympic and Paralympic Games – and test-events – return abroad, the following rules and procedures should be observed:

- Brazilian nonresident athletes (with regular exit declaration at the Federal Revenue) shall observe the same rules and comply to the same procedures for nonresident aliens, including in what regards temporary admission of goods, as detailed in item 2.2.5.1 in this section;
- Brazilian resident athletes shall observe the ordinary rules for resident travelers, regarding the duty to declare goods stated in Normative Ruling RFB n. 1059, of 2010;
- Regarding tax exemption for goods purchased abroad and brought to Brazil, Brazilian residents are subject to the same values referred to in item 2.2.5.1 of this section, that is, US\$ 500,00 (five hundred United States dollars) for air and sea travelers and US\$ 300,00 (three hundred United States dollars) for travelers by land, river or lake;
- Brazilian athletes resident or nonresident in Brazil are also subject to the same quantitative restrictions regarding the import of alcoholic beverages, cigarettes, cigars, cigarillos and tobacco detailed in item 2.2.3 in this section; and
- Goods from Brazilian residents purchased or nationalized in Brazil before the trip and returned from abroad are exempt from declaration, but subject to supervision in order to prove its condition of purchased in Brazil or nationalized.

The goods acquired abroad by the Brazilian sports entity responsible for the team returning to Brazil must be declared in one e-DBV of one of its members and registered at the National Register of Legal Persons (CNPJ) of the responsible sports entity, which can carry out the clearance to import these goods tax-free, according to section 4.2 of this chapter. The goods in this condition must be separated from the rest

of the private goods of the athletes and will be released after the mentioned import clearance.

2.5. Contingency for the Electronic Traveler Goods Declaration (e-DBV)

In case of impossibility of issuing the e-DBV, the Federal Revenue (Customs) will make the paper DBV available, so that the traveler can make his declaration at the moment of disembark in the country or boarding to go abroad. Said form is available in Annex II of this Guide.

However, athletes and other travelers described in item 2.2.1 in this chapter may present their declarations in DBV forms regardless of the availability of the e-DBV. This form is available in Annex II of this Guide.

When re-exporting the goods that were imported under the DBV-based regime of temporary admission, it is mandatory that the import DBV – or a copy – be presented to the Federal Revenue (Customs) for clearance.

2.6. Return of goods abroad and carrying of values

The same declaration (e-DBV or DBV form) which serves to support the entry of the nonresident traveler goods or the delegation/team under temporary admission serve to register the return of the goods abroad.

For that to happen, the traveler must inform in the e-DBV, before checking in to go abroad, the return date and the flight number (if applicable), as well as carry-on values, in case they are higher than the value abovementioned.

The submission of the goods to Federal Revenue of Brazil (Customs), in its return abroad, can be performed by any other traveler, i.e., it is not mandatory that the good temporarily admitted is presented to Customs by the same person who brought it to the country. But it is essential that the traveler re-exporting the goods inform the Federal Revenue (Customs) the number of the customs declaration (the e-DBV or any other) that gave the goods temporary clearance.

It is also possible that this re-exportation is done by way of customs clearance with the use of an Export Declaration (DE), a Simplified Export Declaration (DSE) or by means of courier. In any case, it is crucial to inform that it is the re-export of goods temporarily admitted to Brazil, as well as the number of the customs clearance of the import. For further details, refer to Chapter 3 of this Guide.

Termination of the temporary admission regime of the customs clearance for goods the traveler is taking in his baggage may also be done at the airport where the traveler is leaving the country or in the Customs facilities at land borders. At airports, the traveler should look for the Federal Revenue (Customs) before check-in, to present the goods under temporary admission regime that will be embarked abroad.

Firearms and ammunition returning abroad must be presented to the airline company at check-in (in case the company does not have a specific place to receive firearms), in order to comply with the special security rules for their transport in aircrafts. After, the air controller should accompany the passenger to the Federal Police for – after presenting the due documents (including the Transit Guide accompanying the firearm in Brazil) – the arm to be unloaded and appropriately packed in front of the passenger and then taken to the aircraft by the air controller.

There is no need – upon return of firearms abroad by air – that they are presented to the Federal Revenue (Customs) to terminate the temporary admission regime. The Federal Police will internally forward to the Federal Revenue (Customs) the list of Transit Guides of arms exiting the country. Based on this piece of information, Customs will terminate the temporary admission regime.

In the case of firearms that the traveler is taking back by land, it is essential that he present the goods to the Federal Revenue (Customs) at the land border point to terminate the temporary admission regime.

The carrying of values over BRL 10.000,00 (ten thousand reais) or the equivalent in other currencies at the exit of the country must be declared via e-DBV. The passenger should use the same entrance e-DBV, in case it was used to declare the carry-on value.

Failure to regularize the situation of temporary admitted good in Brazil shall lead to charging suspended taxes and the application of financial penalties, any time the importer returns to the country, and the Treasury might adopt international legal measures to collect the due values from the defaulting party.

2.7 Goods destroyed in accidents, lost or stolen goods

In case goods under temporary admission regime are lost or stolen or destroyed in accidents, the traveler should look for the Federal Revenue (Customs) before boarding to go abroad for the payment of taxes that were suspended.

It is recommended that this measure be taken at least one day before, to avoid possible setbacks on the day of the trip.

Note that the payment of taxes can only be made at a bank agency, obeying office days and timetables.

The goods that have suffered accidents but are still identifiable do not require payment for the termination of the special temporary admission custom regime, provided they are re-exported.

2.8. Payment of Import Tax

In situations in which there is due import taxes on baggage to be paid, this can only be done in banks, in the Brazilian currency (real), using a specific waiver.

It is recommended that the interested party look for the Federal Revenue (Customs) prior to the date of his trip abroad to obtain the waiver form with the correct value in order to proceed to a bank during office hours (11am to 4pm, from Monday to Friday) to make the payment.

To calculate due taxes, the whole sum of the value of goods subject to taxation – in United States dollars – is taken, and then subtracted the exemption which is the right of the traveler (five hundred United States dollars for individuals traveling by air or sea and three hundred United States dollars for individuals traveling by land, river or lake). The resulting number, if positive, should be converted into reais (R\$) at the exchange rate of the day, and a 50% rate should be applied to come up with the due import tax. For example:

Taxable value – US\$1.300,00

Exemption (air) – US\$500,00

Value for taxation – US\$800,00

Converted value(*) – R\$2.400,00

Tax (50% rate) – R\$1.200,00

(*) hypothetical exchange rate R\$/US\$ = 3,00

2.9. Questions and Answers

1) What is considered medical equipment?

According to ANVISA, the equipment for use in healthcare with medical, dental, laboratory and physiotherapy purpose, directly or indirectly used for diagnostics, therapy, rehabilitation and monitoring of humans and also with the purpose of

beautifying and aesthetics. They are composed mostly of active medical products, implantable and non-implantable. But also include non-active equipment such as wheelchairs, stretchers, hospital beds, surgical tables, examination chairs, among others.

2) What products of animal or plant origin require health certificate to be imported in Brazil?

According to the Passenger Guide of the National Commission of Airport Authorities, in the Portuguese, English and Spanish versions, respectively:

<http://www.aviacaocivil.gov.br/assuntos/informacoes-aos-passageiros/biblioteca/guia-do-passageiro-em-portugues>

<http://www.aviacaocivil.gov.br/assuntos/informacoes-aos-passageiros/biblioteca/guia-do-passageiro-in-english>

<http://www.aviacaocivil.gov.br/assuntos/informacoes-aos-passageiros/biblioteca/guia-do-passageiro-version-espanola>

- plants and parts thereof require phytosanitary certificate issued by the authority of the country of origin, which must be submitted to the Brazilian control authority at the time of arrival of the traveler in Brazil, as a condition for its release by the Federal Revenue of Brazil (Customs), a condition also applicable to cigars; and
- animal products (like milk, cheese, meat products, honey) require certificate issued by the veterinary authority of the country of origin to be submitted to the Brazilian control authority at the time of arrival of the traveler in Brazil, as a condition for its release by Federal Revenue of Brazil (Customs), a condition that also affects tobacco for hookah containing honey in its composition.

3) What plant products can enter within the passenger's luggage/delegation, for their use and consumption without a health certificate?

Beverages and processed vegetable products, vacuum packaged, canned, pickled and other preservatives, may be imported without a phytosanitary certificate. This includes oils, chocolates, elaborated yerba mate, powder for ice cream and desserts, starch, margarine and cocoa paste, instant coffee, roast and ground coffee, glucose and refined sugar, cigarettes.

4) Media professionals and non-resident technicians can import goods via courier?

Yes. Please observe provisions in Section 3 of this chapter.

5) How materials and equipment used by media professionals for journalistic coverage of the events are to be declared to the RFB (Customs), including the press transport vehicles which carry them?

Cases of dispensation from declaration:

- Goods which total value is less than or equal to US\$ 3,000.00 (three thousand dollars of the United States of America) or the equivalent in another currency; and
- The vehicles used by the press organs to transport professional teams such as cars, vans, buses, motor-homes, being also exempted from customs formalities necessary for the customs control of entry into the country of land vehicles, as well as automatically subject to the temporary admission regime, pursuant to Article 90, III, of IN RFB No. 1361, of 2013.

Goods imported in this way, regardless of whether they are dispensed from the submission of a customs declaration according to the above situations, must be presented to the Customs authority (RFB) at the place of entry in Brazil.

Except for the exemptions above, nonresident media professionals, radio and television technicians and support staff, including the vehicle driver, at the time of arrival in Brazil, shall declare to the IRS all photographic, radio and television appliances and equipment, new or used, by means of the Electronic Traveler Goods Declaration (e-DBV).

The goods of members of the press team can be declared either in a single declaration or in different declarations, according to the responsibility undertaken by each one with regard to the return abroad of the goods temporarily admitted in Brazil. For example, the expression 'appliances and media equipment' comprises: photographic and filming cameras, accompanied by compatible quantities of batteries and accessories; portable devices for recording and reproduction of sound and image, accompanied by compatible amount of corresponding physical media support of the recordings, mobile studios, including those installed in the towed or self-propelled vehicle, batteries and accessories, cell phone (mobile), binocular, tools and other hand appliances including portable computers for the professional activity performance.

Goods subject to be declared, as explained above, should also be submitted to the customs authority at any place of border, port or airport, on the occasion of their return abroad for the purpose of extinction of the tax liability undertaken by the declarant thereon. There is no need that the good returns abroad by the hands of the same declarant at the time of arrival, but it is essential to identify the declaration which corresponds to its regular entry in the country.

6) Goods temporarily admitted to Brazil through DI, electronic DSI or Simplified Import Declaration form (DSI form) can be re-exported by e-DBV or DBV?

No. The re-export clearance as accompanied baggage of goods cleared through DI, electronic DSI or Simplified Import Declaration form (DSI form) must be done through the simple presentation of the List of Re-exported Goods (RBR) according to section 2.3 of Chapter 3.

2.10. Applicable rules

Besides the provisions in this Guide, the following apply:

- Normative Ruling RFB n. 1059, of August 2nd, 2010;
- Normative Ruling RFB n. 1361, of May 21st, 2013; and
- Normative Ruling RFB n. 1385, of August 15th, 2013.

SECTION 3

Import of goods via international *courier* transport companies (door-to-door)

3.1 - Definition

In this system, imported goods are transported from abroad to be delivered at the address of the importer in Brazil by the *courier* company; which provides the international transport to Brazil and, after customs clearance, the domestic transport to the address of the recipient.

This import system is not to be confused with import by postal consignment; that is, by means of the Brazilian Post and Telegraph Company (ECT). This system does not allow for the acknowledgement of exemption according to Law n° 12.780, from 2013; neither does it allow the temporary admission rule.

There are three (3) private actors in the import of goods through international *courier*: the sender (person abroad), the transporter (*courier* company) and the consignee, who is the recipient of the imported goods, also called importer.

In this import system all procedures before to the Federal Revenue of Brazil (Customs), and other authorities responsible for controlling the import of goods, are carried out by the *courier* service; responsible for the implementation of the administrative procedures for the clearance of the goods before the authorities responsible for special control (when applicable) and, finally, by customs authority. The *courier* company is also responsible for the transportation of the imported goods to the address of the consignee, after customs clearance of the goods by customs authority.

As a rule, all import by this means is subject to a single tax import rate (II) of 60% above customs value (value of goods plus value of freight and insurance, if any), in addition to state ICMS. Books, newspapers, periodicals and documents are tax exempt.

This tax treatment – a single rate of 60% of II, plus state ICMS – can only be applied to new goods up to the value of US\$ 3,000.00 (three thousand US dollars). For imported goods whose value exceeds this limit, the common rule for the import of goods is applied, by way of reasoned order in the Integrated System of Foreign Trade (SISCOMEX), with variable rates, according to the tax classification of goods.

However, note that the import of goods intended for the organization and execution of events related to the Games can also take advantage of tax exemption

(see **section 4.2** of this Chapter), in which case the limit of US\$ 3,000.00 does not apply.

For events related to the Games, only in the period of **January 1 to September 18, 2016**, the import of goods via a *courier* company, door-to-door mode, with tax exemption, will also be possible in the case of temporary import (see **section 4.3** of this Chapter).

However, customs clearing by the *courier* company in the temporary admission regime can only occur during the period mentioned above if the consignee of the imported goods is a non-resident private individual.

Temporary admissions carried out by private individuals should be completed before the Federal Revenue of Brazil (Customs) by the end of the stay period of the non-resident in Brazil (90 days, or the period indicated in the entrance visa).

3.2 - Who can use it

The import of goods via *courier* transport companies may be executed by private individuals and legal entities, as long as the import does not have a commercial purpose.

3.2.1 – Temporary import of goods

The import of goods under the temporary admission regime via a *courier* company can only be carried out if the consignee is a nonresident alien, who is temporarily in Brazil to develop activities related to the organization and execution of events related to the Games.

It is supposed that the following private individuals will develop activities for the events related to the Games:

- agents with delivery address at the Olympic Villa or other Olympic addresses (according to the list of addresses in the internet site of the Federal Revenue of Brazil (Customs); and

- agents of goods sent by the following entities: International Olympic Committee (CIO), International Paralympic Committee (IPC), Court of Arbitration for Sport (CAS), World Anti-Doping Agency (WADA), National Olympic Committees (CONs) (foreign entities), National Paralympic Committees (CPNs) (foreign entities), and International Sports Federations. Upon evidence, nonresident aliens may be consignees of express transport for temporary admission:

- those connected to the CIO, IPC, CAS, WADA, CONs, CPNs of International Sports Federations and the Organizing Committee of the Olympic and Paralympic Games (Rio 2016);

- those connected to the organization and execution of events related to the Games; and

- consignees of goods transported by communications or audiovisual companies with delivery address in Brazilian cities that will host Olympic and Paralympic activities.

3.2.2 – Tax exemptions specific to events related to the 2016 Olympic and Paralympic Games

Legal entities registered in Paragraph 4, Law n° 12.780, 2013, may benefit from tax exemptions for legal entities, if duly qualified according to Normative Instruction RFB n° 1335, 2013, listed in the link below:

http://idg.receita.fazenda.gov.br/sobre/acoes-e-programas/grandes-eventos/arquivos-eimagens/relacao-de-pj-habilitadas-para-os-beneficios-da-lei-no-12_780-de-2013_xlsx.pdf

3.3 – Goods subject to restrictions

Any type of goods used in the organization and implementation of events related to the Games can be imported via a *courier* company. This means of import is not allowed in the case of:

- alcoholic beverages;
- weapons and ammunition;
- tobacco and tobacco products;
- currency, bank checks and traveler's checks;
- goods intended for trade or industrialization;
- wild life animals;
- wild life plants; and
- precious and semi-precious stones.

In the case of the import of tax exemption goods, based on Law n° 12.780, 2013, or under temporary admission regime, new and used goods may be transported. In any other situation there is a restriction to the import of used or refurbished goods; the exceptions to this restriction are integrated circuits; semi-conductors and similar

devices used as support media to recorded documents and goods destined to personal use or consumption.

3.4 – Restrictions and conditions

Only *courier* transport companies licensed by the Federal Revenue of Brazil (Customs) can execute customs clearance as described in this section, according to the list available on the website of the Federal Revenue of Brazil, in the following link: <https://idg.receita.fazenda.gov.br/sobre/acoes-e-programas/grandes-eventos/arquivos-eimagens/relacao-de-empresas-de-courier-internacional.pdf>

It must be noted that the import of goods according to this section, with the right to tax exemption based on Law n° 12.780, de 2013, or according to the special customs clearance regulation for temporary admission of goods, cannot be done via the post office (postal consignments). Thus, all goods imported via postal consignment will be taxed in the normal way.

In order to use the benefit of tax exemption import, according to Article 4 (tax exemptions) Law n° 12.780, 2013, the recipient must be qualified before the Federal Revenue of Brazil (Customs), under the provisions of IN RFB n° 1.335, 2013.

The import of goods with a global value exceeding US\$ 3,000 (three thousand US dollars), or equivalent in another currency, cannot be transported by via a *courier* company, except in the case of temporary admission based on Law n° 12.780, 2013, which is not subject to quantitative limits or global value.

The import of documents, books, newspapers and periodicals is also not subject to value limits.

In the case of tax exemption importation, however, there is a **limit to the unit value** for non-durable goods, considered so when the usable life is up to one year. For these durable goods, tax exemption is applied only to those whose individual customs value does not exceed R\$ 5,000 (five thousand Reais).

Imported goods with global value exceeding US\$ 3.000,00 (three thousand US dollars), or equivalent in another currency, except those imported under temporary admission, can only enter the Country under the common regime for the import of goods, with registered declaration in SISCOMEX.

For the purpose of calculating the value above (customs value), it should be considered the value of the imported goods plus the value paid (or payable) by the addressee to the *courier* company for transportation to the address in Brazil and, if hired, the value of international transportation insurance paid (or payable) by the

addressee. The above costs incurred by the addresser and included in the price of the goods, are not added to the customs value.

The import of goods by means of a *courier* companies under the temporary admission regime (only for non-resident private individual) cannot be done for consumable goods and cannot be returned abroad. Thus, the import of medicine, for example, even for personal use by the addressee, cannot be performed under the temporary admission regime. Nevertheless, this import can be performed via a *courier* company through the payment of the taxes referred to in **item 3.1** above. Note that in the case of medicine for personal use, it is necessary for the addressee to hold a medical prescription to prove the need for the medicine.

3.4.1 – Transfer of goods to third parties

Tax exemption granted in conformity with Article 4 of Law N° 12.780, 2013, is individual in nature and so the goods imported with tax exemption CANNOT be transferred to a third party before five (5) years from the registration of the Express Consignment Import Declaration, without the payment of due taxes.

However, it must be noted that some goods imported with tax exemption are only valuable when used by a third party and can thus be transferred at any time without the payment of the exempted taxes. This is the case of the transfer of:

- promotional material, printed material, brochures and other goods of similar purpose, trophies, medals, statuettes, badges, banners, flags and other commemorative objects, distributed at no cost or used during the Events; and
- goods for personal use by athletes, coaches, referees and support personnel and volunteers that work at the Events, such as clothing and accessories, shoes, backpacks, lunch boxes, bottles, *squeezes* and similar items, sports material in general, medicine and medical material, distributed for free.

In all cases referred above, the transfer of goods does not depend on communication to the Federal Revenue of Brazil.

Restrictions to the transference of imported goods to a third party, without the payment of exempted taxes, applies to machinery, equipment (such as computers, notebooks and cell phones), appliances (such as sports, sound and image items), furniture, objects of decoration and temporary structures (such as stands and tents), electric appliances and other common and durable goods that do not lose their value as objects for the 2016 Olympic and Paralympic Games.

Another exemption to this transference restriction is for the transference to another person that has the a right to the same tax benefit, in conformity to Article 124 of Decree n° 6.759, February 5, 2009, and Article 30 of Decree n° 8.463, June 5, 2015. In these cases, the direct recipient of the tax exemption relative to import taxes are listed in Paragraph 2, Article 4. Law n° 12.780, 2013. The recipients in the condition of donors are mentioned in Article 6 of the same law.

Thus, goods subject to import tax exemption in conformity to Law no 12.780, 2013, could be transferred within the period of five years with tax exemption, as long as these imports are performed by:

- International Olympic Committee (CIO);
- International Paralympic Committee (IPC);
- National Olympic Committees (CONs) or the National Paralympic Committees (CPNs) (foreign entities);
- International Sports Federations;
- World Anti-doping Agency – WADA;
- Court of Arbitration for Sport – CAS;
- national or regional entity for the management of Olympic and Paralympic sports;
- game sponsors;
- service providers of CIO or IPC;
- Organizing Committee of Rio 2016 Olympic Games - RIO 2016;
- service providers of RIO 2016;
- the Federal Government or other corporate bodies under public law;
- social welfare charities, approved under Law N° 12.101, November 27, 2009, as long as the requirements of Article 14 of Law N° 5.172, October 25, 1966, and of Paragraph 2, Article 12 of Law No 9.532, December 10, 1997 are met; and
- non-profit sports entities or other corporate bodies with a social purpose related to sports practice, social development, environment protection or child care, as long as the requirements of Subparagraphs “a” to “g” of Paragraph 2, Article 12, Law n° 9.532, December 10, 1997, are met.

If this transference occurs to a person different from the above, the provisions of Articles 124 and 126, Decree n° 6.759, 2009, applies. In this case, the values of the exempted taxes in the import moment must be paid with the following proportional reduction due to the depreciation of good value resulting from the passage of time:

- up to twelve months: 0%;
- more than twelve up to twenty four months: 25% ;
- more than twenty four up to thirty six months: 50%;
- more than thirty six up to forty eight months: 75%; and
- more than forty eight up to sixty months: 90%.

After five years, the transfer of such goods is exempt from taxation.

In the case of transference of the good imported with tax exemption to a third party directly related to the organization or implementation of the event, according to Paragraph 2, Article 4, Law nº 12.780, 2013, or transferred to a person in conformity to Article 6, the transference must be communicated to the Federal Revenue of Brazil (Customs) for verification of the exemption status of the person to whom the good will be transferred, so that he or she may registers in the corresponding import declaration, or in the respective process, the transference of beneficiary of exemption or extinction of the tax benefit (in the case of the payment of taxes). This notification must be made by the importer, identifying the good and its import declaration of origin.

For transference to a third party, referred to in Article 6, Law no 12.780, 2013, the Term of Donation and Receipt (TDR) must also be presented to the Federal Revenue of Brazil (Customs), according to **Annex IX** of this Guide. In the case of payment of taxes (extinction of the benefit), the TDR is not required, but the presentation of the corresponding Collection Document of Federal Revenue (DARF) must be collected by the importer.

3.5 - Procedure

On import via a *courier* transportation company, the company is responsible for and carries out all procedures for the entry of the goods in the country and for customs clearance, delivering the imported goods to the addressee at the address of the consignee in Brazil.

The addresser must deliver to the international courier the commercial invoice or pro-forma invoice, as evidence of the value of the goods sent to Brazil and, in the case of tax exemption, also inform the Executive Declaratory Act (ADE) in order to prove the grant qualification of the consignee before the Federal Revenue of Brazil (Customs). Those qualified for the benefits of Law nº 12.780, 2013, can be found at the link:

http://idg.receita.fazenda.gov.br/sobre/acoes-e-programas/grandes-eventos/arquivos-eimagens/relacao-de-pj-habilitadas-para-os-beneficios-da-lei-no-12_780-de-2013_xlsx.pdf

In the case of temporary admission regime, there are no requirement for ADE licensing. This regime can be enjoyed by all non-resident private individual with activities related to Events associated to the Games. Notwithstanding, the addresser shall inform the transportation company the number of the passport of the consignee, or of an identity document valid in Brazil, and of the respective issuing country, informing as well that it is a temporary import of goods. Without this information, the remittance may be subject to taxation, according to the Simplified Taxation Regime (RTS).

For the acknowledgment of the relationship of the consignee with COI, CAS, WADA, CONs, CPNs and the international sports federations, it is necessary for the addressee to turn over to the transportation company (*courier*) a document that establishes the relationship, this document accompany the cargo. If there is no such document, the consignee may supply it, handing it to the transportation company in Brazil. The establishment of a relationship is not necessary in the case of presumption of conformity referred to in **section 3.2.1**.

In the case of remittance by communications or audio-visual production companies, the acknowledgement of this relationship can be done through verification done by customs authorities in the sender's internet site (not required in the case of internationally known broadcasters and producers); being optional the use of any other reliable means of proof of the media activity for the events offered by the consignee.

Not exempted imports are subject to import taxes calculated by a tax rate of 60% (sixty percent) of the customs value of the goods. Depending on the State of the Federation of the consignee's address, the state ICMS may also apply.

Due taxation is collected by the *courier* company, being the obligation of the sender or the consignee the anticipation of the corresponding resources or a later refund for the expense, in the form of a transportation contract.

The importation of documents is not taxed. Books, newspapers and periodicals are also fully exempt of taxation, no matter the qualification to this benefit by the consignee.

Clearance by customs inspection of goods imported via *courier* may be subject to presentation by the addresser of information about the value of the goods, the possibility of their use in the related Events and the association of the sender with the events. In these cases, information will be required through the *courier* company, which will also be responsible for handing to customs inspection the documents and information given by the end recipient of the goods.

3.5.1 – Procedure for the Temporary Admission of goods

In the temporary admission regime, there is no requirement for the issuing of the ADE license. This regime may be enjoyed by all legal persons, nonresident, with Event activities related to the Games, from January 10 to September 18, 2016. Notwithstanding, the sender should inform the transport company the number and the corresponding country of issue of the consignee's passport or identification document, as well as the Express Consignment Import Declaration (DIRE), stating that it is a temporary import. Without this information, the remittance may be taxed, according to the Simplified Taxation Regime (RTS).

Clearance for temporary admission via a *courier* company will be executed in two complementary steps, according to the following procedure:

- presentation of DIRE by the transport company, informing that it is a temporary admission order;
- customs clearance for admission to this regime will start with the registration of DIRE, related to the passport number of the addressee; docking of the cargo is not required;
- deadline control and the return registry of temporary imported goods will be done via the Electronic Traveler Goods Declaration (e-DBV), complementary and connected to DIRE, issued by the transport company, in the name of the consignee;
- Issuance, by the transporter, of the e-DBV will be done upon identification of the consignee, his/her passport or identity document, number of the corresponding DIRE (informed according to instructions found at the e-DBV app), and of the imported goods and corresponding values;
- If there is an interest that the entry deadline for temporary admission of the good expires concurrently with the term of stay of the nonresident in Brazil, the interested person should deliver to the customs clearance office, by means of a *courier*, copies of his/her passport with entrance visa that authorizes the desired term.

- after the registration of the e-DBV, clearance and delivery of the corresponding goods to the consignee will depend on his/her signature on the Term of Responsibility (TR), according to **Annex VI** of this guide, which should be collected by the transport company, with a copy of the passport (only the persons identification page) or the informed identity document, which should be presented to the Federal Revenue of Brazil (Customs) at the customs clearance office;

- clothing items and goods for personal use, regardless of the value, are also exempted from signing the TR and can be cleared and delivered to the consignee immediately;

- the corresponding DIRE will also be cleared; it should contain the e-DBV number (complementary declaration), in the complementary information field.

According to this section, the temporary admission regime will be granted for ninety days (90) starting at the clearance date, or for the authorized period of stay in Brazil established in the passport.

If the resident intends to extend the period of temporary admission, he/she should report to a Federal Revenue (Customs) office, in possession of his passport, at any point in national territory, in order to register an extension requirement for the mentioned regime.

The non-regularization of the situation of the good under temporary admission in Brazil will cause the taxation of the suspended taxes and the application of financial penalty, in any occasion that the importer returns to the Country, and the Ministry of Treasure may adopt international legal measures in order to charge the defaulter for the due values.

3.5.2 – Procedure for tax-free import of goods

Customs clearance for tax exemption import via “door-to-door” transport will be made in the same way as imports under the Simplified Taxation Regime, by way of the DIRE presented by the transporter.

For the collection relative to the right to tax exemption created by Law n° 12.780, 2013, by the Federal Revenue of Brazil (Customs), it is mandatory that:

- the addresser instructs the *courier* transport company to inform, in the Express Consignment Import Declaration (DIRE), that the import is tax exempt, according to Article 4, Law n° 12.780, 2013;

- the consignee be qualified for the benefits of stated law, according to IN RFB nº 1.335, 2013; and
- the addresser should add to the package (volume) of the consignment to Brazil, the list of goods sent, indication the unit value, quantity and end use, if the goods are not identified in the invoice or pro forma-invoice.

The Federal Revenue of Brazil (Customs) does not recognize the right to tax exemption if it is not requested by the *courier* company, by way of the above mentioned DIRE.

3.6 – Goods damaged in accidents, lost, stolen or robbed

In the case of lost, stolen, or robbed goods under temporary admission, as well as when fully destroyed in an accident, the traveler should report to the Federal Revenue of Brazil (Customs) for the payment of the suspended taxes, before boarding to a foreign country.

It is recommended that this be done at least one day in advance, in order to avoid any problems during the traveler's boarding.

It must be noted that the payment of due taxes can only be done through a bank agency, during regular banking days and hours.

Damaged goods that can still be identified do not require the payment of tax for the extinction of the special customs regime of temporary admission, as long as they are re-exported.

3.7 – Questions and Answers

1) Is there import restriction of used goods via *courier* company?

Yes, as a rule, in the simplified taxation regime, import of used goods is not permitted. However, for Events related to the Games, this restriction does not apply, be it in the case of the import of goods with tax exemption or in the case of temporary import.

This restriction does not apply in the case of integrated circuits, semiconductors and similar devices used as support for recorded documents and in case of goods for personal use or consumption.

2) Is there a value limit for the import of goods via a *courier* company?

Yes. As a rule, in the simplified taxation regime, it is not permitted to import goods with global value FOB (*free on board*) exceeding US\$ 3,000.00. However, this

restriction does not apply to imports under the temporary admission regime, in conformity to Article 5, Law nº 12.780, 2013 (events related to the Games).

It must also be noted that the import with exemption of durable goods (those with useful life superior to one year) with a unit custom value above R\$ 5,000.00 is not allowed.

3) Does the consignee (importer), under the temporary admission regime, have to be qualified for the benefits of Law nº 12.780, 2013 (events related to the Games)?

No. In order to import under the temporary admission or the simplified tax regime the signatory does not have to have any licensing.

4) Is it necessary for the consignee (importer), under the temporary admission regime, to be enrolled in the Taxpayers Registry (CPF)?

No. The consignee does not have to have CPF (as of January 1, 2016) in the case of imports exclusively related to Olympic and Paralympic events. However, it is necessary to inform passport data or data from another civilian identification document in the case of countries that have an international agreement with Brazil allowing another document in lieu of the passport.

5) Can the passport be substituted by another document as identification of nonresidents?

As a rule, this is not possible as the identifying documents for foreigners is the passport. However, in the case of Brazilians who do not reside in the country and of foreigners native of countries signatory of international agreements with Brazil, which allow for substitution of the passport, other civilian identity documents will be accepted.

6) How to proceed in relation to the extinction (liquidation) of the temporary admission regime of goods that entered Brazil via door-to-door transport?

There are three possibilities for the liquidation of this regime (only as of January 1, 2016). The first is through the re-exportation of the good, which can be done in several ways, as explained in **Chapter 3** of this Guide.

The second possibility is the nationalization of the goods. In this case, the consignee must seek an office of the Federal Revenue of Brazil (Customs) in order to carry out the customs procedure for the regularization of the goods in the country, which will require the payment of taxes due during import if the beneficiary is not qualified for the corresponding tax exemption. For import up to US\$ 3,000.00, the Simplified

Taxation Regime (RTS) is used to calculate the Import Tax, state ICMS also applies. Above this value, the common import regime will be applied, with taxes calculated according to the rates applicable to each product.

The third possibility is the destruction of the good, under customs supervision. In this case, the consignee must seek an office of the Federal Revenue of Brazil (Customs) for the necessary procedure for proof of destruction, which should be carried out at the expense of the consignee.

7) What must the consignee do before the Federal Revenue of Brazil (Customs) in order to receive, via a *courier* company, goods imported under the temporary admission or exemption regimes?

The consignee of the imported goods (importer) does not participate in customs procedures with the Federal Revenue of Brazil (Customs), only with the *courier* company.

All documents necessary for clearance of express delivery are supplied to the transport *courier* by the sender. Notwithstanding, in the lack of these, the consignee may supply them via the transport *courier* itself. It is important for the correct application of customs regime that the sender instructs the *courier* as to the type of customs regime to be applied (tax exemption or temporary admission), the consignee should also supply information relative to each order, including the number of the personal identity document (passport or other legally accepted document) of the consignee of the imported good in Brazil, in the case of a private individual. In case there is no specification of the intended tax regime, the Simplified Taxation Regime – RTS will be applied, with the corresponding taxation.

At the time of returning the goods abroad as **accompanied luggage**, the consignee should inform, in the respective DBV, registered during importation, via *courier* company, the date of the return trip and, in case of air transportation, the flight number, and the presentation of the goods subject to temporary admission for inspection to customs authority before it is shipped abroad or before the crossing of borders.

8) In the case of the return to a foreign country of the goods in luggage accompanied by the consignee, may customs inspection dismiss the actual examination of the goods temporarily imported?

Yes. Customs inspection may dismiss this inspection in the case of the return by air of a nonresident to a foreign country. In this case, the liquidation of the regime will be

done by the boarding confirmation of the consignee in flight abroad, via the Aviation Authority system of advance information of passengers.

9) What is the deadline for release by the Federal Revenue of Brazil (Customs) of imported goods via international *courier* transport companies?

Generally, the goods imported this way are released on the same day they are declared and submitted to the Federal Revenue of Brazil (Customs) by the *courier* company. However, in cases of deliveries retained by the RFB for presentation of documents or clarifications by the addressee, and of products subject to sanitary control, such as medical equipment or food, the release deadline may be extended up to two days, until the conclusion of inspection by sanitary authorities.

10) Can imported goods go through customs clearance at the Federal Revenue of Brazil (Customs) by an individual *courier*, i.e. by an international traveler who carries in his/her luggage goods for a third party?

No. Goods from foreign countries can be brought in the accompanied luggage of a traveler to a recipient third person in Brazil, but CANNOT go through customs clearance at the Federal Revenue of Brazil (Customs) by the traveler (*courier*).

In this situation, the *courier* must declare, through his/her own Electronic Traveler Goods Declaration (e-DBV), that he/she is carrying goods to a third person, identifying the addressee in this declaration. Arriving in Brazil, the declared goods will be retained by the Federal Revenue of Brazil (Customs) and will wait that the addressee identified in the e-DBV to proceed with customs clearance procedures, in this case the import can be done according to the procedures described in **Section 4**, as import in temporary admission regime or with tax exemption.

11) How is the value of imported goods determined?

The value of the goods must be reported by the addresser to the international *courier* transport company and proven by commercial invoice, in case of consignment that corresponds to a purchase and sale operation, or by pro-forma invoice, based on the value of the goods set in the contract (free leasing or leasing, for example) or on book value (in case of transfer of goods from the addresser asset for her/his own use in Brazil). The invoice or pro-forma invoice must accompany the order.

For calculating the import customs value, in case of import subject to taxes, the transport value to the addressee address and, if applicable, the international transport insurance value must be added to the value of the goods.

It must be noted that, in the absence of evidence supporting the value of the goods, customs inspection may evaluate them based on one of the methods specified in IN RFB n° 1.073, de 2010.

In case the goods value exceeds US\$ 3,000.00 (three thousand dollars), the import cannot be sent in the form of section. Its clearance must be arranged in the form of **Section 4**. This does not apply for imports in temporary admission regime or with tax exemption.

12) Can the international *courier* transport company also act as a logistics operator as mentioned in Section 3?

Yes. The *courier* company can act as a logistics operator, as long as it is licensed in the manner provide for in IN RFB N° 1.335, 2013.

13) How can I speed up the process of remittance of an order to Brazil, via a *courier* company?

You must send the number of the addressee identification document (passport, CPF or CNPJ of the consignee) in advance to the *courier* company, and convey the complete documents related to the type of operation to be performed, whether it is import by temporary admission regime or under tax exemption.

3.8 - Rules applicable in addition to the provisions of this Guide

In addition to the provisions in this Guide, the following additional provision also applies:

- Normative Instruction n° 1.073, October 1, 2010.

SECTION 4

Import of goods as cargo

4.1 General information

4.1.1 Definition

In this import modality, the exporter delivers the cargo to an international transport company that transports it to a port, airport or border point in Brazil.

At the port, airport or customs border point, the cargo is unloaded and delivered by the international transporter to a custodian, usually the company that manages the airport, port or freight terminal. The removal of the cargo to a dry port at a secondary zone may also occur. At land borders, the dry ports are locate, in general, at a primary zone. Then, the consignee of the goods (usually the end importer) is notified by a cargo agent (who represents the international transporter in Brazil) that

the cargo has been unloaded, and handing him/her the corresponding “bill of landing”, document that allows the importer to legally claim the goods before Customs and the custodian (the port, airport or dry port company that stores the goods while it waits for customs clearance).

Upon receiving the cargo, the port, airport, port terminal, or land border point managing company must inform Customs of the presence of the cargo. This is done electronically through the Foreign Trade Integrated System (Siscomex).

Once the presence of the cargo is informed, and in possession of the related bill of transport, the importer (or legal representative) may initiate customs procedure, which will allow the clearance of the goods. This procedure is called “customs clearance of import” and it starts when a formal customs declaration is issued, normally via Siscomex.

4.1.2 General information about customs clearance

The formal customs declaration referred to in the previous paragraph is called “Import Declaration” (DI) or “Simplified Import Declaration” (DSI). Besides the electronic format, there is also a DSI paper application form, for limited use, which will be explained in this section.

It must also be noted that goods subject to sanitary control and other specialized control (such as plants and plant parts, animals, medical and pharmaceutical products, weapons and ammunition), may only be registered in a DI after consent by the appropriate control agency. This consent is formalized and manifest in the form of the Import License (LI) or Simplified Import License (LSI), when clearance is done via DSI. Both licenses are informed and processed via Siscomex, except when clearance is via the DSI paper form, where the consent may be formalized in the DSI form itself.

Customs authority may act only after the issuance of the Siscomex declaration by the importer (directly or by means of a representative), or when the paper form of the DSI is handed in. Note that Customs only acts after the importer or his/her representative present a DI or DSI, noting also that in Brazil the importer has a ninety-day (90) deadline period starting with the landing of the goods in order to present the import declaration. After this period, the goods are considered legally abandoned and are subject to loss of cargo penalty. During this period, customs cannot assume any intention by the importer (who may even see to the return abroad

of the goods or its destruction) neither can it promote the retrieval of the goods from the warehouse where it is stored.

The importer, directly, an agent (employee or manager) or a customs broker, with a specific mandate, can rightfully promote customs import clearance. In Brazil, any person with management power or an employee, with a specific mandate for customs clearance can act as an agent of the importing entity. In any of these cases, the agent or the customs broker must be registered by Customs, according to **section 4.1.3** below. An importer may license more than one person, in any of the above categories, without quantitative limits, for the activities related to customs clearance.

In order to carry out customs import clearance, besides the corresponding DI and DSI, it is required:

- the bill of landing or a document that replaces it in conformity with customs legislation (eg. e-DBV, in case of goods brought as baggage addressed to legal entities, according to Paragraph 2, Article 44 of IN RFB n° 1.361, 2013);
- power of attorney of the customs broker or agent, if applicable; and
- proof of contractual relationship for rendering of logistics services, if the importer is the logistics operator itself.

The invoice and contract instrument for the import of goods under temporary admission regime or under tax exemption, according to Law n° 12.780, 2013, will not be required in relation Events related to the Games.

Once customs clearance procedure is done, the goods may be cleared. However, delivery will depend on the presentation, by the importer or its representative, of the corresponding Guide for Foreign Merchandise Release (GLME), issued by State treasury authorities.

Once the GLME is presented, the goods may be released to the importer, stressing, however, that the lack of payment of storage costs and handling of the cargo may give cause of its retention by the custodian. In relation to retention, it must be stressed that the Federal Revenue (Customs) does not interfere in any way.

4.1.3 Licensing for operating Siscomex

Access to Siscomex is controlled by the Federal Revenue of Brazil (Customs), requiring licensing from the importers and exporters, act by which, in the system, the importer or exporter legal entity is linked to the private individual responsible for it before the Federal Revenue.

All legal entity, when registered before the Federal Revenue of Brazil (Customs) has a private individual who is legally responsible, who can be the holder of this legal entity, managing partner or any other person with a mandate for this purpose (a lawyer or accountant, for example).

Licensing to operate Siscomex links the legal entity to the legally responsible person, and allows that he/she may not only present customs declarations in the system in name of the legal entity for which it answers and interact by mean of this system with customs inspection during customs clearance, but it also allows for accreditation in Siscomex itself, agents (directors, managers and employees) and also customs brokers for the practice of related activities with customs clearance.

The procedures for this licensing are organized in the Normative Instruction RFB n° 1.288, August 31, 2012, complemented by the provisions in this section.

In the specific case of import that aim at the Events related to the Games, with the benefit of tax exemption or temporary admission regime according to Law n° 12.780, 2013, this Guide foresees simplified procedures which consist of:

- entities established in Brazil licensed to enjoy the taxation benefits during importation prescribed by Law n° 12.780, 2013, will be authorized to operate Siscomex in the express sub modality, which means the non-requirement of the demonstration of financial capacity to perform imports and exports.;

- the representative of the foreign entity qualified for the import taxation benefits prescribed in Law n° 12.780, 2013, according to Subparagraph XIII, Paragraph 2 of Article 4 of the Law, that is, the logistic operator will also be qualified;

- licensing for the customs broker to perform in clearance procedures in Siscomex, for the International Olympic Committee -CIO, International Paralympic Committee - IPC, National Olympic Committees (CONs) (foreign entity), National Paralympic committees (CPNs) (foreign entities), international sports federations (FDI), a Court of Arbitration for Sport (CAS), World Anti-Doping Agency (WADA) and accredited media companies and broadcasters located abroad, without harm to the accreditation done by the legally responsible of the entity via Siscomex, will also be done by the Federal Revenue (Customs) in attention to the requirement presented by the Rio 2016 Organizing Committee of the Olympic and Paralympic Games (Rio 2016 Committee) or by the customs broker itself, through proof of hire.;

The licensing requirements for the customs broker presented by the Rio 2016 Committee in favor of CIO, IPC, CONs, FDI, CPNs, CAS, WADA and accredited media and broadcasting companies located abroad may be registered and processed in the same licensing request for the enjoyment of the taxation benefits predicted for Events related to the Games, according to Normative Instruction RFB n° 1.335, 2013, or at any other time, according to Normative Instruction RFB n° 1.288, 2012, in any public service unit of the Federal Revenue of Brazil (Customs).

Note that only people established in Brazil (registered in the Federal Revenue tax registries) may be licensed to operate in Siscomex. The entities that are not established in Brazil may only do imports through a representative, private individual or legal entity, hired according to sub XIII, Paragraph 2, Article 4, Law n° 12.780, 2013; that is, by means of a logistic operator.

The logistic operator licensed to operate in Siscomex, according to Normative Instruction RFB n° 1.288, 2012, may operate the system directly and also accredit agent and customs broker for the practice of activities related to customs clearance.

It must be noted that the logistic operator may issue import declarations in his/her own name, that is, act as titleholder of the tax benefit granted in the import of goods, but as long as he/she is duly licensed according to Normative Instruction RFB n° 1.335, 2013, to enjoy the benefit. For further detail about importat by means of a logistic operator, see guidelines in **section 4.1.4.4**.

There is also no restriction for an international transport company established in Brazil to act as logistic operator. Thus, the international courier company that operates in Brazil can also be licensed according to Subparagraph XIII, Paragraph 2, Article 4, Law n° 12.780, and this way register import in its name, in the interest of its contractor.

4.1.4 Ways to promote the import of goods

Ways to promote import, in this guide, is understood as the means by which the interested party may promote the import of goods.

4.1.4.1 Direct import of goods

In this mode, the party interested in the merchandise promotes the import in his/her own name and registers the import as his/hers.

4.1.4.2 Import of goods on behalf of third parties

In this mode, the person that acquires the goods abroad, called “acquirer”, hires a third, legal entity, to formalize the import before the Federal Revenue of Brazil

(Customs) and see to customs clearance. In this mode it is a third party who registers a DI in his/her own name, and thus is called the importer, but by contract he/she only acts as a service provider for the “acquirer”.

This way of promoting import entails taxation responsibilities for the acquirer and reduces the responsibilities of the importer and is regulated in the Normative Instruction SRF n° 225, October 18, 2002.

4.1.4.3 Import of goods under purchase order

In this mode, the importer acquires merchandise abroad to resell it to a contracting company.

This way of promoting import, formally regulated, distances the taxation effects of importation on behalf and instructed by the contractor and is regulated in Normative instruction SRF n° 634, March 24, 2006.

4.1.4.4 Import of goods by means of a logistic operator

Law N° 12.780, 2013, that created the tax benefits for the Games, created this mode of import in Subparagraph XIII, Paragraph 2, Article 4.

In this mode, the entities that may promote import with exemption of taxes that apply to import (listed in **section 4.2**), according to Article 4 of this law may hire a private individual or legal entity to perform the import, similar to import for the account and order of third parties, however with an important difference in relation to this mode of import: the hired party will have the same tax benefits that the recipient of the imported goods would have in a direct import, as long as duly qualified for the benefits, according to Normative Instruction RFB n° 1.335, 2013.

If the logistic operator is a private individual, he/she must be domiciled in Brazil, civilly able, have fulfilled its tax obligations before the National Treasury and be duly licensed according to Normative Instruction RFB n° 1.335, 2013. It must be noted, however, that the broker cannot register the import and export declaration in his/her own name, reason by which he/she cannot act as a logistic operator.

This mode of promoting import is particularly useful for entities that have a right for the benefits listed in Article 4, Law n° 12.780, 2013, and are not established in Brazil, consequently cannot operate Siscomex.

However, the same legal mechanism that entitles that even entities established in Brazil, such as the Rio 2016 Committee, that also have the right to tax exemption provided in the referred Article 4, may promote import by means of a hired logistic operator.

It must be stressed that the hired logistic operator, duly licensed according to Normative instruction RFB n° 1.335, 2013, can also promote, for the contractor, import under the special regime of temporary admission provided in Article 5 of the same law.

In the case of import under the special regime of temporary admission according to Article 5 of the referred law, the registration of declaration of importation via Siscomex is not required, as it may be done through the Simplified Declaration of Importation form (DSI form), according to model contained in **Annex IV** of this Guide. However, imports with tax exemption, except imports in the modality of accompanied luggage, of the ones done through international courier and of import of goods belonging to the Olympic or Paralympic teams, CAS, WADA or to accredited media or broadcasting companies (according to 4.2.5), must be done via Siscomex.

The logistic operator shall identify, in the field “Complementary Information” of the DI or DSI, the contracting addressee of the imported goods with the number of the digital dossier of the corresponding license request for the enjoyment of the import tax benefits, according to Normative Instruction RFB n° 1.335, 2013, or of the license ADE, if already signed.

Licensing ADE information of the contractor will not be required, according to the terms explained above, when the contractor is:

- International Olympic Committee or the International Paralympic Committee;;
- National Olympic Committee or the National Paralympic Committee (foreign entities);
- International Sports Federation;
- World Anti-doping Agency – WADA;
- Court of Arbitration for Sport – CAS; and
- accredited media or broadcasting company not established in Brazil.

A logistic operator may act for different contractors, but customs clearance should be individualized for each contractor.

In his/her qualification for the benefits of Law n° 12.780, 2013, according to normative Instruction RFB n° 1.335, 2013, or even up to the moment of customs clearance, the logistic operator must perform the attachment in the respective digital process (formalized according to IN RFB n° 1.335, 2013), of statement of information

in which he/she introduces him/herself as a logistic operator according to Subparagraph XIII, Paragraph 2, Article 4, Law nº 12.780, 2013, and authorizes the entity that contracted him/her (contractor), as well as informing the object of the contract, annexing to the document the following documents:

- From the side of the logistic operator:

- copy of the identity document of the person signing the statement of information mentioned above;

- instrument (mandate or copy of the statutory instrument) which proves the competence to represent the logistic operator of the person signing the statement or copy of the statutory instrument), when it is a person other than the one responsible according to the CNPJ; and

- proof of contractual relationship with the contractor.

- From the side of the contractor (even if a foreign entity), copy of the identity document of the person signing the contract instrument or statement of the existence of a contract, with his/her signature.

The term of information of the logistic operator must also list all documents and copies of documents that accompany it, inform the number of pages of each one, consign that all correspond to the truth of facts, and all pages (including annex to the documents) must be initialed by the signatory of the requisition.

Proof of contractual relationship for logistic service delivery based abroad can be done via contract instrument or a declaration by the contractor addressed to the Federal Revenue (Customs) including at least:

- identification of the entity (name and headquarter);

- identification of the signatory (name and number of the Brazilian document or foreign passport);

- identification of the post of the signatory in the company;

- identification of the hired logistic operator (name, CNPJ and headquarter);

- expiration date of the contractual relationship;

- statement that the logistic operator was hired to provide custom clearance logistic service in Brazil for participation in the Rio 2016 Olympic or Paralympic Games; and

- signature, location and date.

Note that the proof of contractual relationship must be translated to Portuguese by a sworn translator, when written in another language.

The attachment of the term of information and documents mentioned above may be done electronically, according to Normative Instruction RFB n° 1.412, 2013, or in person, including in customs offices where the first import clearance in the interest of the contractor was done.

4.1.5 Advance customs clearance

Normally, customs clearance of imports may only be initiated after the arrival of the goods in Brazil. This means that, as a rule, it is not possible to register a term of import without the arrival of the imported goods in the Country.

However, for imports destined to Events associated to the Games, it is allowed to initiate customs clearance before the arrival of the cargo, by means of an anticipated registration of DI in Siscomex or, in the case of import under special customs temporary admission, using the Simplified Declaration of Importation form (DSI form. In order to elucidate this possibility, see guideline in **section 4.2.4**.

4.1.6 Early delivery of goods

In some cases, when requested by the importer, Customs may authorize the delivery of goods to the importer before the conclusion of customs inspection, such as:

- unavailability of enough physical structure for storage or inspection of goods on the clearance premises or other customs facilities nearby; and
- need for complex assembly of the good to perform its physical verification.

Besides hypothesis in Article 47 of IN SRF n° 680, 2006, at the request of the interested party, goods from Olympic and Paralympic delegations that will work in Events related to the Games may also be object of early delivery, and also in the case of equipment for generation, edition and broadcasting of sound and image.

4.2 Import of goods with tax exemption

The import of cargo with tax exemption is subject to objective and subjective conditions. It is important to note that the fruition of the tax benefit demands that previous procedures under the terms of Brazilian legislation be adopted. Therefore, it is necessary that the importer request exemption for any of their imports in advance so that they can meet the requisites established by law in advance.

Tax exemption applied to the import of goods intended for exclusive use or consumption in particular activities and directly linked to the organization or the implementation of Events having to do with the Games, provided for in Article 4 of

Law 12780, 2013 encompasses the following taxes, contributions and fees:

- Import Tax – II;
- Tax on Manufactured Products – Tax relating to imports;
- Contribution to the Programs of Social Integration and Building of Assets of Civil Servants levied on the import of goods and services – PIS/Pasep-Imports;
- Contribution to the Financing of Social Security levied on imports of goods and services – COFINS-Imports;
- Tax on the use of the Integrated System of Foreign Trade;
- Additional Freight for the Renewal of the Merchant Navy – AFRMM;
- Tax on the use of the Electronic System of Control of Additional Freight Collection for the Merchant Navy Renewal – AFRMM – Merchant;
- Contribution on Economic Activities – CIDE levied on fuel import; and

It should be noted that this benefit depends on the beneficiary's prior qualification under the terms provided by Instrução Normativa RFB nº 1335, 2013.

4.2.1 – Beneficiaries of imports with tax exemption

Law nº 12780, 2013, establishes that these imports may be performed by:

- the International Olympic Committee (Comité International Olympique – CIO) and International Paralympic Committee (IPC);
- the National Olympic Committee and National Paralympic Committees (foreign bodies)
- the international sports federations;
- the *World Anti-doping Agency* – WADA;
- the *Court of Arbitration for Sport* – CAS;
- national and regional Olympic and Paralympic bodies;
- sponsors of the Games;
- Service Providers to the CIO or IPC;
- Organizing Committee of the Rio 2016 Olympic Games – RIO 2016;
- Service Providers to RIO 2016;
- accredited media Companies or broadcasters; and

- a natural or legal person hired by the bodies listed above to represent them.

With respect to tax exemption concerning the use of Siscomex and Merchant system, it can only be acknowledged after their respective clearance, under the terms of a tax refund application form in accordance with Instrução Normativa RFB nº 1300, of November 20, 2012.

4.2.2 - Goods to which exemption applies

Any type of goods (used or new) utilized in the organization or implementation of the events related to the Games can be imported with exemption, EXCEPT FOR goods deemed “durable” by the Law nº 12780, 2013, whose value exceeds R\$ 5,000,00 (five thousand reais), which can be imported under temporary admission regime (see **section 4.3** of this Guide).

Goods considered durable, under subsection XVII of article 2 of Law nº 12780, 2013, are those whose “useful life” exceeds 1 (one) year.

For the purposes of this user guide, useful life is the probable period of duration of the good under ordinary conditions of use.

The aforementioned amount should be considered to be the unit value of the goods, meaning the customs value by “statistical unit of measure”. In general, the customs value corresponds to the price of the goods plus the freight and insurance costs incurred in importation.

The statistical unit of measure is automatically informed in Siscomex when NCM field, in “Ficha Mercadoria”, is filled in.

It should be noted that the indication of a different statistical unit of measure from that contained in SISCOMEX for the corresponding merchandise code in the Mercosur Common Nomenclature (NCM) constitutes an infraction, punishable by a fine of 1% (one percent) of the value of the goods, and not less than BRL 500.00 (five hundred reais) (Article 84, II Provisional Measure nº 2.158-35 of August 21, 2001).

There are no restrictions on the type and quantity of goods that can be imported, provided they are used for the purposes stated in the chapeau of Article 3 of Law nº 12.780, 2013: use or consumption only in the organization and implementation of Events related to the Games. It should be stressed, however, that there are prohibitions and restrictions on health protection, public security and the environment that restrict, for instance, the import of food without proper international

health certificate or medical supplies without an Anvisa permit. For further information about these restrictions, contact Agro-Livestock (Farming) Monitoring System (VIGIAGRO) and the National Health Surveillance Agency (Anvisa).

The exemption in the terms above will be granted to goods or merchandize such as:

- trophies, medals, plaques, statues, badges, pennants, flags and other celebratory items;
- promotional material, brochures, leaflets and other items with a similar purpose to be given out free of cost or used during the Events;
- other non-durable goods, those whose useful life lasts up to 1 (one) year, of the type and amounts generally consumed in similar sports activities;
- durable goods dealt with in Article 4 of Law nº 12.780, 2013, whose customs unit value are equal to or less than R\$ 5,000,00 (five thousand reais).

In case of noncompliance with any of the requisites and conditions set forth in this **section 4.2** as well as with Brazilian law will render tax exemption impossible. In that case, the importer shall have to pay the taxes due on imports as a condition for the customs release of the goods.

Durable goods and equipment to be used at the Events that are not eligible for import with tax exemption will be admitted into the country under the special customs regime Temporary Admission, with suspension of payment of import taxes, which is dealt with in **section 4.3** of this chapter.

4.2.3 – Restrictions and conditions

The exemption of federal taxes levied on imports of goods or merchandize shall be granted to licensed importers under the terms of Instrução Normativa RBF nº 1335, 2012.

The import exemption clearance shall be done through the Integrated System of Foreign Trade (Siscomex) by means of the Import Declaration Form (ID) or the Simplified Import Declaration form (SID). On the import declaration registered on Siscomex, the following information must be present, as legal basis for the exemption:

- For Import Tax (II): enter tax regime “*EXEMPTION*” and the legal basis code “*86 EVENTOS COPA DO MUNDO/JOGOS OLÍMPICOS E PARALÍMPICOS 2016*”;
- For Tax on Manufactured Products (IPI): enter tax regime “*ISENÇÃO*” and in the field “*BASE LEGAL DO REGIME TRIBUTÁRIO*” fill in the legal act “*DEC*”; issuing agency “*EXEC*”, act number “*8463*” and year “*2015*”;
- For Social Integration Program (PIS) and Social Contribution on Revenues (COFINS): enter tax regime “*ISENÇÃO*” and the legal basis code “*96 EVENTOS COPA DO MUNDO/JOGOS OLÍMPICOS E PARALÍMPICOS 2016*”;

For imports made via logistic operator, the operator's licensing under the terms of Instrução Normativa RFB nº 1335, 2013, suppresses and waives that licensing for the following hypotheses listed in the 2nd § of article 4 of Law nº 12.780, 2013:

- International Olympic Committee and International Paralympic Committee;
- National Olympic Committees and National Paralympic Committees (foreign bodies);
- *World Anti-doping Agency* – WADA;
- *Court of Arbitration for Sport* – CAS; and
- Accredited media companies and broadcasters not established in Brazil.

In the other hypotheses of the 2nd § of article 4 of Law nº 12.780, 2014, to enjoy import tax benefits, the recipient of imported goods must seek licensing under the terms of Instrução Normativa RFB nº 1.335, 2013, in addition to the logistic operator's qualification.

Considering that the import exemption clearance must be done through the Integrated System of Foreign Trade (Siscomex), the importer must also obtain qualification of their legal representative and accreditation of their agents and customs brokers to operate that system, according to the guidelines set forth in **section 4.1.3**.

The importer shall also meet the demands established by the trade authority (Secex) in cases where they apply and also technical demands on the part of health control agencies or other specialized control agencies. Those demands are to be met during import licensing phase, which is also processed on Siscomex. It should be noted that most goods are automatically waived from licensing by Siscomex, allowing

the importer to immediately register their DI form, but, in general, foods, pharmaceuticals, hospital and medical products are subject to approval on the part of specialized control agencies. The import of firearms is also subject to control agencies.

It should be noted, however, that imports benefiting from tax exemption due to the legal basis aforementioned are waived from the following ordinary demands:

- tests showing that there are no similar the inexistence of national products of a similar nature.
- transport by Brazilian-flagged ships (in case of international water transport).

4.2.4 Procedures

Imports under the exemption benefit provided for in article 4 of Law n° 12.780, 2013, must observe the procedural rite set forth in this Guide.

Alternatively, the general rules for the import customs clearance of IN SRF n° 680, 2006, and IN RFB n° 611, 2006, regarding the use of electronic DSI on Siscomex or of the paper DSI application form shall be applied.

It is noteworthy that the Federal Revenue Service (Customs) acts only upon request of the interested party. The mere arrival of a cargo in Brazil does not allow Customs inspection to adopt any measures for its clearance without the register, by the importer, of a DI or electronic DSI form indicating the desired customs procedure (warehousing, re-exportation, home use, temporary admission, among others).

For imports cleared by DI, the importer can monitor the status of the cargo and the progress of customs clearance via the Federal Revenue of Brazil “importer” App in Apple Store (for iOS devices) or Play Store (for Android devices).

The import for consumption with exemption as established by article 4° of Law 12.780, 2013, demands that the customs clearance carried out on Siscomex (article 7° of IN RFB n° 1.313, 2012). Imports under the modes of accompanied baggage and “door to door” (by means of international courier), dealt with in **sections 2 and 3** of this chapter do not fall into this same category. The same holds true for goods belonging to Olympic and Paralympic teams, CAS, WADA or accredited media companies and broadcasters (under the terms of item 4.2.5, below).

The customs clearance for importation of goods with tax exemption, on Siscomex, can be carried out based on Import Declaration (DI), or electronic

Simplified Import Declaration (Electronic DSI). However, electronic DSI CANNOT be used:

- for imports whose value exceeds US\$ 3,000,00 (three thousand American dollars) or the equivalent in another currency (section II of article 3 of IN RFB n° 611, 2006); and
- for imports on behalf of third parties or under order, which only accept formalization by means of DI, and can only be carried out if the purchaser is established in Brazil (for Siscomex requires the Corporate Taxpayer Registration Number of both the importer and the purchaser).

The import can be carried out by the beneficiary, that is, with a DI or DSI registered in their own name.

Imports carried out on behalf of third parties (see **item 4.1.4.2** of this section) and imports under order (see **item 4.1.4.3** of this section), can only be declared through DI forms, and demand that the importer's contractor be established in Brazil.

The import carried out through a logistic operator acting as an importer (see **item 4.1.4.4** of this section) can be declared by means of DI or DSI forms.

As the customs clearance process progresses, the Federal Revenue Service (Customs) may request that the logistic operator prove to have a contractual relationship with the recipient of the import identified in the field “Additional Information” of the DI form. For such evidence, for the purpose of replacing the contract instrument, a statement of the contractor domiciled abroad, addressed to the Federal Revenue of Brazil (Customs), that the logistics operator was hired to provide logistics services and customs clearance services can be used for the purpose of their participation in the World Cup 2014. Note that the relevant documents must be translated into Brazilian Portuguese when written in a foreign language.

Note that it is possible to digitally submit these documents and others that instruct the import clearance using the Generation Program of Joint Documents (PGS), according to Instrução Normativa RFB No. 1.412, 2013. This alternative eliminates the physical presentation of documents in the Federal Revenue of Brazil (Customs).

For digital delivery of documents by the PGS, the person concerned,

observing the terms of the Articles Nos. 4 and 5 of IN RFB 1412, 2013, must request a digital dossier service in the RFB unit where the customs clearance will take place, upon submission of the electronic form called "Request for Service Digital Dossier". Further information on the digital delivery of documents can be found at the following link:

<http://www.receita.fazenda.gov.br/PessoaFisicaeJuridica/SolicitacaoJuntada/DocumentosDigitais/Default.htm>

To register the DI or electronic DSI, the importer must comply with the licensing requirements under the rules of Siscomex for each of these instruments.

Once these requirements are met, the importer will be able to step up the customs clearance process, by the early register of DI, i.e., the importer must NOT wait for the arrival and storage of cargo coming from overseas to register its declaration in Siscomex (Article 8 of IN RFB No. 1293, 2013). However, one cannot enter an early registration of electronic DSI on SISCOMEX, since a rectification of this declaration along the customs clearance process is not possible.

4.2.4.1 Import Declaration on Siscomex

To go through the customs clearance process, the following documents must be presented to the Federal Revenue Service (Customs).

- bill of lading or the one that replaces it in conformity with customs legislation (eg. e-DBV, in case of goods brought as baggage addressed to legal entities, according to § 2 of Article 44 of IN RFB No. 1.059, 2010);
- packing list, in case of goods packaged in bulk; and
- proof of contractual relationship for the rendering of logistics services, if the importer is the logistics operator itself (if not already included in the digital dossier).

The invoice will not be required to accompany the DI referred to in this item.

The bill of lading will not be required in customs clearance covered by Electronic Bill of Lading (CE) in waterway transportation, when transported by own means (livestock) or hand delivery modes.

4.2.4.2. In case of refusal of customs clearance

Should the recognition of the exemption does not occur, the delivery of the goods shall be conditioned to the taxes due on importation. If the importer does not agree with the payment, he may submit a statement of disagreement to the Federal Revenue of Brazil (Customs), and the issuance of an infraction notice will take place subsequently. The release of the goods object of the infraction notice will depend on the payment of taxes or presentation of warranty, as provided in Portaria MF No. 389, of 1976.

The judicial challenge shall follow a specific administrative procedure. In case it is deemed valid, the warranty exceeding the value considered as fair shall be returned to the taxpayer.

4.2.4.2 Delivery of goods to the importer

The delivery of the goods shall be arranged by the importer with the company responsible for their customs warehousing. The company will deliver only after authorization by the fiscal authority and shall also be conditional upon:

- the presentation to the depositary of the Guide for Foreign Merchandise Release without proof of payment of ICMS (GLME) in conformity with the ICM Agreement No. 10/1981, issued by the treasury authorities of the Federation States or the Federal District, and
- in the case of goods transported in the waterway transport modal, to:
 - linkage in the Mercante system, by the importer, of the Cargo Identifier Number (NIC) shown in the import declaration to the corresponding Electronic Bill of Lading (CE);
 - lack of restraint by the owner (for non-payment of freight or payment of declared general average contribution) as set forth by Article 40 of IN RFB No. 800, December 27, 2007.

Goods declared in DI or registered DSI may be delivered before customs check is concluded, under the terms of **item 4.1.6** of this Guide. It should be noted, however, that said delivery will also depend upon the presentation of the corresponding GLME issued by treasury authorities of the Federation States or the Federal District, in case specific legislation does not waive its presentation.

4.2.4.4 Waiver from import ancillary obligations

Imports of wristwatches for use by Games' volunteers and beverages intended for free distribution at Events linked to the Games are exempt from obligations concerning special registration and seal application, when carried out by COI, by Rio 2016 or by sponsors of the Games, provided for respectively in Instruções Normativas RFB nº 1.539, of December 26, 2014, and nº1.432, of December 26, 2013.

4.2.5 Special Procedures applied to imports of goods belonging to athletes, Olympic and Paralympic teams, CAS and WADA, and accredited media companies and broadcasters.

Goods belonging to the International Sports Federation, National Olympic Committee or National Paralympic Committee (foreign bodies), for use or consumption by athletes and Olympic and Paralympic teams, even when imported as cargo can be cleared with tax exemption on DSI form. This provision also encompasses celebratory items such as pennants and flags.

This procedure can also be adopted for imports carried out by CAS and WADA, for use and consumption of their personnel.

The same procedure can also be used for the import of consumables by accredited media companies and broadcasters for use by their personnel (such as makeup products, items of clothing and consumables – such as shooting, photography materials and office supplies), but it is denied to:

- computer industry materials; and
- electrical materials.

It should be noted that, in any case of import clearance by means of paper DSI, the clearance of goods depends also upon import authorization issued by the health agency, environment agency or security agency, when applicable.

The registration of paper DSI forms dealt with here also calls for the licensing of the responsible sports body (recipient of imported goods) under the terms of Instrução Normativa RFB nº 1.335, 2013, and this qualification may be suppressed by the licensing of the logistic operator.

In the imports referred to in this item and declared through DSI form, it is not

necessary to turn in a tax calculation statement referred to in Annex IV of IN SRF n° 611, of 22006, as well as the fiscal classification of the merchandise.

This waiver also encompasses the import of animal feed and veterinary drugs.

In the case of DSI paper forms registered by a logistic operator, he/she must declare the actual name of the import recipient in the field “Additional Information”, as well as the ADE of qualification to tax exemptions, in accordance with Instrução Normativa RFB n° 1.225, 2013.

The same documents listed in **item 4.2.4.1** are to accompany the DSI paper form.

The limit of US\$ 3,000,00 for imports declared in DSI forms does not apply to import clearances referred to in this item.

The provisions in **items 4.2.4.2 and 4.2.4.3** of this **Guide** apply to clearances declared in DSI forms.

4.2.6 Transfer of goods to third parties

The exemption granted under the terms of article 4 of Law n° 12.780, 2013 is of personal nature, and therefore goods imported with exemption CANNOT be transferred to third parties before a period of 5 (five) years from the registration of the corresponding import declaration has expired.

It should be noted, however, that certain goods imported with exemption can only be useful if used by a third party and can be transferred at any moment without payment of taxes relieved in the import. This applies to transfers of:

- promotional material, brochures, leaflets and other goods with a similar purpose, trophies, medals, plaques, statues, badges, pennants, flags and other celebratory items, given freely or used at the Events;
- goods intended for personal use by athletes, coaches, referees, support personnel and volunteers who work at the Events, such as items of clothing and accessories, shoes, backpacks, lunch boxes, bottles, squeezes and similar containers, sports gear in general, medicines and medical supplies, distributed freely.

In all the aforementioned cases, the transfer of goods does not need to be reported to the Federal Revenue Service.

The above provision does not apply to machinery, equipment (such as computers, notebooks and mobile phones), devices (such as sports gear, sound and image devices), furniture, decor items and temporary structures (such as stands and tents), household appliances and other ordinary durable goods which will retain their value as objects after the 2016 Olympic and Paralympic Games.

Another exception in this category is the transfer to a third party who happens to have the same right to the tax benefit, as provided for in art. 124 of Decree n° 6.759, of February 5 2009, and art. 30 of Decree no 8.463, of June 5 2015. In such cases, the direct beneficiaries of the tax benefits relative to import taxes are listed in the 2nd § of art. 4o of Law n° 12.780, 2013, and the beneficiaries who are donors are mentioned in art. 6 of the same law.

Hence, goods subject to tax exemption in importation provided for Law n° 12.780, 2013, may be transferred before the five year period without the payment of the relieved taxes as long as such transfer be carried out for:

- the International Olympic Committee (Comité International Olympique – CIO);
- the International Paralympic Committee (International Paralympic Committee - IPC);
- National Olympic Committee or National Paralympic Committee (foreign bodies);
- international sports federations;
- World Anti-doping Agency – WADA
- Court of Arbitration for Sport – CAS;
- national and regional Olympic and Paralympic bodies;
- sponsors of the Games;
- Service Providers to the CIO or IPC;
- Organizing Committee of the Rio 2016 Olympic Games – RIO 2016;
- Service Providers to RIO 2016;
- accredited media Companies or broadcasters;
- the Federal Government and other legal entities governed by public law;

- social welfare charities, approved under the provisions of Law No. 12.101, November 27, 2009, provided that the requirements of Article. 14 of Law No. 5.172, October 25, 1966, and Paragraph 2 of Article 12 of Law No. 9.532, December 10, 1997; and
- non-profit sports entities or other entities whose social objects are related to sports, social development, environmental protection or child care provided that the requirements of subparagraphs “a” to “g” of Paragraph 2 of Article 12 of Law No. 9.532, December 10, 1997.

In case this transfer to different person from the above mentioned occurs, the values of the exempted taxes on importation shall be paid with the following proportional reductions due to the depreciation of the value of the goods resulting from the passage of time (Article 124 and 126 of the Decree No. 6759, 2009):

- up to twelve months: 0%;
- more than twelve and up to twenty-four months: 25%;
- more than twenty-four and up to thirty-six months: 50%;
- more than thirty-six and up to forty eight months: 75%; and
- more than forty-eight and up to sixty months: 90%.

After five years, the transfer of such goods is exempt from taxation.

In case the transfer of imported goods with exemption is to a third party directly related to the organization or implementation of the event under the terms of 2nd § of art. 4 of Law n° 12.780, 2013, or the goods are transferred to a person who meets the description in art. 6, the transfer has to be reported to the Federal Revenue Service (Customs). The Federal Revenue of Brazil will then check the exemption eligibility of the person to whom the goods will be transferred and he/she may add to the corresponding import declaration or respective rite, the transfer of recipient in terms of exemption or the termination of the fiscal benefit (in case tax payments are applicable). This notification is to be made by the importer, who must identify the goods and their original import declaration.

For transfers to third parties provided for in art. 6 of Law n° 12.780, 2013, the Term of Donation and Receipt (TDR) must also be submitted to the Federal Revenue Service (Customs), according to the model provided in **Annex IX** of this Guide. And in case of payment of taxes (termination of benefit), the TDR is not necessary, but the joined Federal Revenue Tax Collection Documents (DARF) paid

for by the importer must be submitted to the Federal Revenue Service (Customs).

4.3 Imports under temporary admission regime for use at sports events

In this regime, goods to be used at international sports events and exhibits can be imported with import tax suspension.

The granting of this regime to sports events does not depend on a special law and can be applied in terms of ordinary legislation, consolidated in the Instrução Normativa RFB nº 1.361, of May 21, 2013. However, there are differences in the application of this special regime in relation to temporary admission, in accordance with art. 5 of Law nº 12.780, 2013, on which the guidelines set forth in this Guide are based, as explained in item **4.3.5.3** below.

4.3.1 Beneficiaries of importation with tax suspension

In accordance with Law nº 12.780, 2013, these imports can be made by:

- the International Olympic Committee (CIO);
- companies linked to CIO;
- National Olympic Committees (foreign bodies);
- international sports federations;
- WADA
- CAS;
- national and regional Olympic sports managing bodies;
- RIO 2016;
- sponsors of the Games;
- service Providers to the CIO;
- service providers to RIO 2016;
- accredited media companies or broadcasters;

A natural or legal person (logistic operator) hired by the bodies listed above to represent them can also be beneficiaries of this regime.

4.3.2 Goods to which the suspension customs regime is applicable

The Temporary Admission Regime applies to the following durable goods and equipment among others:

- technical sports equipment;
- technical equipment for sound and image recording and broadcasting;
- medical equipment;
- technical office equipment; and
- other durable goods, provided that they are directly related to the events.

Goods are considered durable when their useful life exceeds a year. For the purposes of this user guide, useful life is the probable period of duration of the goods under ordinary conditions of use.

It should be noted that the temporary admission regime, according to importer's interests/needs can also be applied to durable goods whose customs value is equal to or less than R\$ 5000,00 (five thousand reais).

The regime can also be applied to the importation of non-durable goods, however, in this case, only goods to be used/consumed by National Olympic Committees (foreign bodies), international sports federations, by CAS and WADA. And it can also be applied to the importation of non-durable goods by other bodies participating in the events as long as they are properly qualified under the terms of Instrução Normativa RFB nº 1.335, 2013, and by media companies, when the health control agency attaches its importation approval to this special customs regime.

4.3.3 Restrictions and conditions

This special customs regime can be granted to the import of :

- goods suited to the purposes set forth in Law No. 12.780, of 2013, i.e., for exclusive use in the organization and realization of events related to the 2016 Olympic and Paralympic Games, in Brazil;
- durable goods ,usable in accordance with the period of stay requested; and
- non-durable goods, if intended for use/consumption by the National Olympic Committees (foreign bodies), international sports federations, CAS and WADA, and other cases pending approval by a health control agency.

It should be noted that the licensing of the logistic operator to represent the

actual recipient of the imported goods waives the need for the latter's licensing.

Licensing does not apply to importations under the temporary admission regime carried out under the terms of IN RFB nº 1361, 2013, under the accompanied baggage regime and importations through international courier companies (door-to-door transport), dealt with in **sections 2 and 3** of this guide.

The list of bodies that qualify for the tax benefits provided for in Law nº 12.780, de 2013, is public and is available at:

http://idg.receita.fazenda.gov.br/sobre/acoes-e-programas/grandes-eventos/arquivos-e-imagens/relacao-de-pj-habilitadas-para-os-beneficios-da-lei-no-12-780-de-2013_xlsx.pdf

The import clearance of goods admitted into the country under the temporary admission special customs regime, under the terms of Law nº 12.780, 2013, with the suspension of payment of II, IPI and PIS/COFINS, shall be done on Siscomex by means of the Import Declaration (DI) or the Simplified Import Declaration (DSI). The following information must be on the Import Declaration registered on Siscomex, to serve as legal basis for suspension:

On the DI:

- For the Import Tax (II): enter the tax regime “*SUSPENSÃO*” and the legal basis code “88 - *EVENTOS COPA DO MUNDO/JOGOS OLÍMPICOS E PARALÍMPICOS 2016 – BENS ADMITIDOS SOB O REGIME DE ADMISSÃO TEMPORÁRIA*”, and the temporary admission reason code – Cód. “71 a 75”;
- For the Tax on Manufactured Products (IPI): enter the tax regime “*SUSPENSÃO*” and in the field “*FUNDAMENTO LEGAL DO REGIME DE TRIBUTAÇÃO*” fill in legal act (ato legal) “DEC”; issuing body (órgão emissor) “EXEC”; act number (número do ato) “8463” and year (ano) “2015”;
- For PIS/COFINS: enter tax regime (regime de tributação) “*SUSPENSÃO*” and the legal basis code “97 - *EVENTOS COPA DO MUNDO/JOGOS OLÍMPICOS E PARALÍMPICOS 2016 –*

BENS ADMITIDOS SOB O REGIME DE ADMISSÃO TEMPORÁRIA”.

On the DSI:

- Select the operation “ADMISSÃO TEMPORÁRIA”;
- In the field “MERCADORIA”, enter tax regime “SUSPENSÃO”, legal basis code “039 – ADMISSÃO TEMPORÁRIA EXCLUSIVO DSI (ART. 5º IN RFB 1.361, 2013)” and the reason for the legal basis of the tax regime II – Code “030 a 034”;
- In the field “TRIBUTOS – PIS/COFINS” enter tax regime “SUSPENSÃO” and legal basis “97 – EVENTOS COPA DO MUNDO/JOGOS OLÍMPICOS E PARALÍMPICOS 2016 – BENS ADMITIDOS SOB O REGIME DE ADMISSÃO TEMPORÁRIA”.

4.3.4 Maximum Term

There are two applicable terms for this regime, depending on the legal base intended by the importer.

- for those who qualify for the benefits of Law 12.780, 2013, under the terms of IN RFB nº 1335, 2013, the regime will be granted until June 28, 2017, **or until a prior date, according to the importer’s definition;**
- for temporary admissions under the terms of IN RFB nº 1.361, 2013 (art. 13), carried out by unlicensed importers under the terms of IN RFB nº 1.335, de 2013, the regime shall be granted for a six-month period. The concession is automatically renewable for 6 (six) more months, or for the period established by the import contract between the beneficiary and the person resident or domiciled abroad, extendable for the same period provided therein.

4.3.5 Procedures

There are two possible procedures to carry imports under the temporary admission regime in accordance with IN RFB No. 1.293, 2012; and according to IN RFB No. 1.361, 2013. It should be noted that in the case of goods brought as traveler baggage, there is also a procedure for temporary admission, but not dealt in this section, which considers only imported goods in the cargo condition, i.e., goods transported to Brazil covered by an international consignment. For information on temporary admission of luggage, see Section 1 of this Guide.

In any situation, the Federal Revenue of Brazil (Customs) acts only upon request of the interested party. The mere arrival of a cargo in Brazil does not allow that customs supervision can adopt any measure for its release or delivery to the importer, unless it has already registered a DI or DSI.

The importer can monitor the status of its cargo and the customs clearance progress recorded in Import Declaration (DI) by the Importador da Receita Federal do Brasil Application (app) at the Apple Store (for iOS devices) or Play Store (for Android devices).

4.3.5.1 Procedure based on this Guide (Law No. 12.780, 2013)

4.3.5.1.1 Instrument and intermediation of logistic operator

Imports under the temporary admission regime, based on this guide, allows the use DI or Electronic DSI on SISCOMEX as well as Simplified Import Declaration forms (DSI forms).

The importation can be done directly by the beneficiary, i.e, with a DI or DSI registered in its own name, since the importer is domiciled in the country, or the importation is carried by means of a logistics operator, who will register the import declaration on their behalf. In this case, the logistic operator must identify the contracting party in the field “Additional Information” of DI or electronic DSI on Siscomex, or the Simplified Import Declaration form (DSI form), as well as the respective Executive Declaratory Act (ADE) (or the digital service dossier number in case the ADE has not yet been published) that has licensed the operator.

If the logistic operator is licensed for the benefits set forth in Law nº 12.780, 2013, under the terms of the Instrução Normativa RFB nº 1.335, 2013, the recipient of the imported goods will not need a license.

See **section 4.1.4.4** for further information about the logistic operator's participation in customs clearance.

4.3.5.1.2 A prerequisite for registration of the Import Declaration (DI) or the Simplified Import Declaration (DSI)

The importer must apply for the regime authorization, by means of the electronic process (e-process), instructing it with the Temporary Admission Request (RAT), whose form is in **Annex III** of this guide, and other customs clearance instructive documents (referred to in **item 4.2.4.1**), prior to the declaration registration.

When a logistic operator is acting on behalf of a third part, under the terms of the section XIII of subsection 2 of ar. 4 of Law n° 12.780, 2013, the third party must be identified in the field "Additional Information" on the RAT.

Note that it is possible to digitally submit these documents and others that instruct the import clearance using the Generation Program of Joint Documents (PGS), according to Instrução Normativa RFB No. 1.412, 2013. This alternative eliminates the physical presentation of documents in the Federal Revenue of Brazil (Customs). Additional information can be found at:

<http://www.receita.fazenda.gov.br/PessoaFisicaeJuridica/SolicitacaoJuntada/DocumentosDigitais/Default.htm>

For the purposes of registration of the DI or DSI, the importer must also comply with the licensing requirements under the rules of Siscomex applicable to each of these instruments. It is also necessary to consider the special temporary admission regime.

The licensing requirements for electronic DSI on Siscomex also apply to customs clearances made by using Simplified Import Declaration forms (DSI forms), in which case the respective authorizations will be consigned in the declaration form itself, or through presentation of LI or LSI statement available on Siscomex.

Once these requirements are met, the importer will be able to step up the customs clearance process, by the early register of DI, i.e., the importer must NOT wait for the arrival and storage of cargo coming from overseas to register its

declaration in Siscomex. However, one cannot enter an early registration of electronic DSI on SISCOMEX, since a rectification of this declaration along the customs clearance process is not possible.

The number of the electronic process mentioned above should be consigned into the respective DI (“Attached Process” field), for the purpose of attaching them, and in the case of DSI, the process number should be entered in the “Additional Information” field.

4.3.5.1.3 Instruction of the Import Declaration (DI) or Simplified Import Declaration (DSI)

The DI or DSI must be submitted with the following documents:

- bill of lading or the document that replaces it according to the customs legislation (for example: the e-DBV, in case of goods brought in as baggage destined to legal entities, according to paragraph w of Article 44 of IN RFB n° 1.059, 2010); BUT the presentation of the bill of lading under an Electronic Bill of Lading (CE) in waterway transport is not required;
- packing list, when goods are packed in bulk;
- Term of Responsibility, which should consist of the DI itself or electronic DSI of Siscomex, in the “Additional Information” field; i.e., a separate document is not required (Paragraph 1 of Article 10 of IN RFB n° 1.361, 2013);
- Term of Responsibility (TR), according to the model available in **Annex VI**. The instruction for filling it in are available in **Annex VII**, for import clearances carried out on a Simplified Import Declaration form (DSI form); and
- Proof of contract relationship for the rendering of logistics services, if the importer is the logistic operator.

Commercial invoices and contracts dealing with imported goods shall not be required.

4.3.5.1.4 Regime concession

The regime shall be granted upon DI or DSI clearance.

In case the regime requested is denied, the decision shall be justified and shortly reported, considering current legislation and the information entered in or omitted from the Temporary Admission Regime Request (RAT) and the documents attached.

4.3.5.1.5 Warranty waiver for suspended taxes

The Federal Revenue of Brazil (Customs) shall waive the submission of warranty for the suspended taxes:

- If the recipient of imported goods or his/her logistic operator, in whose name the DI or DSI is registered is licensed under the terms of the Instrução Normativa RFB nº 1.335, 2013.
- For imports of sports gear and the like for use by Olympic and Paralympic athletes; and
- For imports of equines taking part in the games and the materials accompanying them, including feed and veterinary medicine.

4.3.5.1.6 Refusal of Regime (appeal, DI cancellation and other orders)

In case the authority renders the importer a negative decision, the importer has the right, within 30 days of the refusal, to appeal to a higher hierarchical authority.

If the appeal is also unfavorable to the importer, at his/her request, the cancellation of the DI or DSI may be authorized, which will allow the importer to return the goods abroad or register another DI or DSI in another customs procedure, with the payment of taxes or tax suspension.

4.3.5.1.7 Delivery of goods to the importer

The delivery of the goods is to be arranged by the importer with the company responsible for their customs storage. The company shall only deliver the goods after authorization by the fiscal authority and shall still be conditional upon:

- Presentation to the depositary of the Release Guide of Foreign Goods without evidence of payment of the ICMS (*Guia de Liberação de*

Mercadoria Estrangeira sem Comprovação do Recolhimento do ICMS – GLME), under the terms of the ICM Agreement n° 10/81, issued by treasury authorities of the States of the Federation or by the Federal District; and

- In the case of goods transported by waterway mode, delivery will be conditional upon
 - ✓ Linkage to the Mercante system, by the importer, of the Cargo Identification Number (NIC), shown in the import declaration to the corresponding Electronic Bill of Lading (CE);
 - ✓ The non existence of restraint by the ship owner (for non-payment of freight or payment of declared general average contribution), in accordance with Article 40 of IN RFB n° 800, December 27, 2007.

Goods declared in registered DI or DSI may be delivered before customs check is concluded, according to the guidelines of **item 4.1.6** of this Guide. It should be noted, however, that this delivery will be conditional upon the presentation, by the importer or their representative, of the corresponding GLME issued by state or Federal District treasury authorities, in case legislation does not waive such presentation.

4.3.5.1.8 Special procedures applied to imports of goods for National Olympic Committees, National Paralympic Committees, international sports federations, CAS and WADA.

In the imports referred to in this item and declared through paper DSI forms, the presentation of the tax calculation statement referred to in Annex IV of IN SRF n° 611, 2006.

This waiver also encompasses the import of equines and of the materials that accompany them, including feed and veterinary medicines.

In all the cases where the presentation of tax calculation statements is waived, the benefit extends to the fiscal classification of imported goods.

4.3.5.1.9 Termination of regime

The temporary admission granted under the terms of art. 5 of Law n° 12.780, 2013, may be extinct under the following circumstances:

- Re-exportation of goods (return abroad);
- Nationalization clearance, with payment of import taxes or with tax exemption, if possible to apply the benefit;
- Donation of goods to entities listed in subsections II and III of art. 6 of Law n° 12.780, 2013;
- Transfer to another special customs regime, under the terms of IN RFB n° 121, 2002; or
- Destruction of goods.

For re-exportation, see guidelines in **Chapter 3** (Exports).

- For the Simplified Import Declaration Form (DSI form), the model text below shall be consigned on the back of the form and signed by the import, his/her agent or representative;

4.3.5.2 Procedure based on IN RFB No. 1361, 2013

4.3.5.2.1 Instrument and intermediation of logistics operator

Importation under the temporary admission regime, based on these rules, allows the use of DI and electronic DSI in Siscomex, as well as, in the case of goods destined to international sporting events, the use of DSI in paper form (Article 47 of IN RFB No. 1.361, 2013), according to the model adopted by IN RFB No. 611, 2006, also appearing in Annex IV to this Guide.

According to this legislation, the temporary admission regime may also be granted for the event promoter entity to which the goods are intended for or the legal entity employed in charge of logistics and customs clearance (Article 12 of IN RFB No. 1.361, 2013).

The admission procedure based on IN RFB N. 1.361, as of 2013, does not require that the logistic operator be qualified for tax benefits as listed by IN RFB N. 1.335, as of 2013.

The regulations listed in section 4.1.4.4 shall apply for proof of contract relationship regarding the intermediation between logistics operator and contractor.

4.3.5.2.2 Prerequisite for DI or DSI registration

The importer must apply for authorization of the regime by submitting the Application for Temporary Admission (RAT), according to the model in Annex I of IN RFB No. 1.361, 2013, and Annex II of this Guide. For this purpose, the importer shall formalize a process. (Article 16 of IN RFB No. 1361, 2013).

Note that it is possible to present a digital version of this document and others that will instruct the import clearance by the Generation Program for Joint Documentation (PGS), in the form of IN RFB No. 1.412, 2013. This service eliminates the physical presentation of documents in the Federal Revenue of Brazil (Customs). Further information may be obtained at the link:

<http://www.receita.fazenda.gov.br/PessoaFisicaeJuridica/SolicitacaoJuntada/DocumentosDigitais/Default.htm>)

Once this requirement is fulfilled, the importer may file an import declaration before the arrival of goods to the country (Paragraph 3 of Article 15 of IN RFB No. 1.361, 2013). This is only possible for customs clearances made via DI, taking into account that electronic DSI of Siscomex does not allow rectification.

4.3.5.2.3 Instruction of the Import Declaration (DI) or the Simplified Import Declaration (DSI)

DI or DSI is accompanied by:

- the bill of lading or the document that replaces it in the form of customs legislation (e.g. e-DBV, in case of goods brought as baggage intended for legal persons (entities), according to Paragraph 2 of Article 44 of IN RFB No. 1.059, 2010); BUT does not require the presentation of the bill of lading in clearances covered up by Electronic Bill of Lading (CE) in waterway transportation;
- the cargo packing list when related to the goods packed in volumes;
- a copy of the contractual instrument that supports the international operation, whenever appropriate, that is, when the introduction of the foreign goods into the country results from a contractual relationship with rights and obligations regarding the use of the goods;
- the Term of Responsibility that shall be formalized in DI itself or electronic DSI of Siscomex, in the "Additional Information" field; this means that a

separate document is not required (Paragraph 1 of Article 10 of IN RFB No. 1.361, 2013);

- proof of contractual relationship for the rendering of logistics services, if the importer is the logistics operator himself, in case he has not already been included in the digital file (see item 4.3.5.1.1)

The commercial invoice is not required (item II of paragraph 2 of Article 18 of IN SRF No. 680, 2006).

The Term of Responsibility (TR) to be inserted in the "Supplementary Information" field of DI or electronic DSI should follow this standard text:

"I hereby declare to assume full responsibility for the fulfillment of all obligations arising from the special customs regime for temporary admission of goods contained in this import declaration, undertaking the commitment to the payment of the total tax amount related to suspended taxes and federal contributions, in case of noncompliance with the rules established in the regime.

This term of responsibility, which is endorsed by the legal representative for the registration of this import declaration, under mandate with specific clause to subscribe it, is valid until the special customs regime is not terminated and covers the initial concession period and all extension periods eventually obtained."

4.3.5.2.4 – Regime Concession

Regime concession occurs upon the clearance of DI or electronic DSI in Siscomex or printed DSI form.

Refusal of concession shall be duly informed and will be based on the ruling legislation and the information contained in or omitted from the RAT and the annexed documents.

4.3.5.2.5 – Warranty waiver for suspended taxes

The Federal Revenue of Brazil (Customs) waives the presentation of warranty for suspended taxes (item II of Paragraph 4 of Article 11 of IN RFB No. 1.361, 2013) for goods destined to international sports competitions and exhibitions.

This waiver is accompanied by the waiver to present a statement of total suspended taxes only for the goods destined to sports competitions as long as a list of goods with values and quantities is presented. Thus, for example, the RFB does not

waive the presentation of a statement for the temporary admission of media equipment.

4.3.5.2.6 – In case of refusal of the regime (appeal, cancellation of DI and another clearance)

In this case, the importer has the right to submit an appeal to the hierarchical superior to the authority that rendered the negative decision, within 10 days of the denial.

If the denial is Maintained, the cancellation of the DI or DSI may be authorized, which will allow the importer to return the goods abroad or register another DI or DSI in another customs regime, with the payment or suspension of taxes, as the case may be.

4.3.5.2.7 – Delivery of goods to the importer

The delivery of goods by the depositary will occur after authorization of the tax authority and shall also be conditioned on:

- presentation to the depositary (administrator of the customs precinct) of the Guide to Release Foreign Goods without evidence of payment of ICMS (GLME), according to ICMS Agreement No. 85/2009, issued by the treasury authorities of the Federation States or the Federal District; and
- in the case of goods transported in waterway modal:

✓linkage to the Mercante system, by the importer, of the Cargo Identification Number (NIC), shown in the import declaration to the corresponding Electronic

Bill of Landing (CE);

✓the non-existence of restraint by the ship owner (for non-payment of freight or payment of declared general average Contribution), accordingly to Article 40 of IN RFB No. 800, December 27, 2007 .

Customs legislation (Article 47 of IN SRF No. 680, 2006) provides several scenarios in which the importer may request the delivery of imported goods before the completion of customs verification (before clearance of the goods), e.g.:

- unavailability of enough physical structure for storage or inspection of goods on the clearance premises or other customs facilities nearby; and
- need for complex assembly of the good to perform its physical verification.

4.3.5.2.8 – Termination of the temporary admission regime

The extinction of this regime can be carried out under the provisions of Articles 23 to 29, of IN RFB No. 1.361, 2013, by:

- re-exportation, which requires the export registration via Export Declaration (DE) or Simplified Electronic Export Declaration (electronic DSE) in Siscomex, or by a DSE form in some situations (as the case of goods brought by foreign sports teams or intended for them, radio and TV equipment and press in general, according to Article 31, X, combined with Article 4, both of IN RFB No. 611, 2006);
- delivery of the imported goods to the Federal Revenue of Brazil (Customs), free of any expense, as long as the customs authority agrees to receive them;
- destruction under customs control, at the expense of the beneficiary, and its eventual waste, if economically usable, must be re-exported or cleared for home use as if it had been imported in the condition it is in (waste);
- transfer to another special customs regime, under IN RFB No.121, 2002; or
- clearance for home use (nationalization of goods).

Note that the goods admitted according to IN RFB No. 1.361, 2013, for the organization and the realization of the events mentioned in Law No. 12.780, 2013, may also be transferred to the same entities referred to in section 4.3.5.1.9, and by the same procedure laid down therein, in which case the right of the donee to the exemption of the suspended import taxes will be recognized.

4.3.5.3 Comparative Table of temporary admissions based on this Guide (Law N. 12.780, as of 2013) and on IN RFB N. 1.361, as of 2013, in the context of the 2016 Olympic and Paralympic Games

COMPARATIVE TABLE – main differences		
Legal Framework	IN RFB N. 1.361, as of 2013 (art. 2, I)	Section 4.3.5.3 of this Guide (Law N. 12.780, as of 2013)
	Until June 28, 2017, if the importer is licensed	Until June 28, 2017, or previous date according to

Regime Term	according to IN RFB N. 1.335, as of 2013. 6 months automatically renewable for another six months; or the timeframe specified in the import contract extendable to the same duration time	importer's request.
Contract for Importation of Temporary Goods	Proof of relationship of the beneficiary to the event by any document	Exempted
Event Licensing	Required under IN RFB No. 1.361, as of 2013	Exempted
Importer Licensing	Exempted	Required under IN RFB No. 1.335, as of 2013
Time for appeal in case of refusal	10 days	30 days
Goods with life cycle lower than a year	Allowed	Only allowed if used/consumed by Olympic or Paralympic teams, by CIO, IPC and RIO 2016.
Durables	New or used, unless they are used to render services or supply/production of goods for others	New or used, as long as they are directly related to the events of the Games.
Consumables	Allowed for consumables in international sports competitions and	Only allowed for goods consumed by Olympic or Paralympic teams, by CIO,

	exhibitions	IPC and RIO 2016.
Term of Responsibility	In the Supplementary Information of Electronic Import Declaration (DI)/or Electronic Simplified Import Declaration (DSI) or Annex to DSI Form – standard text	Annex VI to this Guide
Application	RAT – Annex I to IN No. 1.361, 2013	Annex III to this Guide
Warranty	Exempted	Exempted: In the importation of sports equipment and similar goods for Olympic and Paralympic athletes; In the importation of equines for Olympic competitions and the material that accompanies them, including animal feed and veterinary drugs; In any case where the importer is licensed under IN RFB N. 1.335, as of 2013.
Exemption from warranty for the suspended taxes	Only for goods destined to international sports exhibitions or competitions	Goods destined to the national olympic committees, national paralympic committees, international sports

		federations, CAS or WADA
Exemption from tariff classification of goods	No exemption	All cases of exemption from warranty for the suspended taxes.

4.4 Questions and Answers

1) Are imports under the temporary admission regime subject to the rules of administrative processing?

The administrative processing follows the rules implemented in Siscomex, according to the instrument used, i.e., an electronic DI or DSI. Therefore, if there is no licensing requirement in electronic DSI, the customs clearance shall continue, even if the same situation in DI contains that requirement. Alternatively, the requirement of administrative treatment in DI will be valid even if in the electronic DSI such requirement does not occur.

In DSI paper form, the fiscal verification follows the current administrative processing for the electronic DSI, in cases described in Article 21 of IN SRF No. 611, 2006, i.e.: goods subject to sanitary (ANVISA or VIGIAGRO), environmental or security control will only be cleared after the release of authorization by the competent body. Any other requirement of administrative treatment outside the sanitary, environmental or security control areas, does not apply to clearances via DSI.

It is important to highlight that one might present LI or electronic LSI to substitute authorization from competent body in the DSI form.

2) How can the importer prove the value of goods subject to temporary admission clearance?

In case of application of the procedure described in IN RFB No. 1.361, 2013, the declared value shall be based on the value stipulated in the contract (if applicable), or in the commercial invoice, or other document that inform the value of the good (as a Pro-forma Invoice). However, note that customs verification may also establish for the goods a different value from that declared by the importer, on the basis of the existing rules on Customs Valuation (e.g., the value of identical or similar goods).

In case of application of the procedure described in this guide, a statement from the importer himself is enough, not requiring, in advance, any document referring to the value of the goods.

However, note that customs verification may, at any time, even after the clearance, set another value for the goods, on the basis of the existing rules on Customs Valuation. In this case, the importer may be required to rectify his declaration and complete the Term of Responsibility.

3) Can goods purchased abroad by a foreign entity operating in Brazil in the Events of the Games be cleared under the temporary admission regime?

Yes. There is no condition related to ownership of the goods to their admittance to the temporary admission regime, nor to be new or used. Both can be an old property of the entity that promotes their imports in Brazil (CIO, IPC, CON, international sports federation, etc.), as may have been purchased abroad, new or used, exclusively for a current event in Brazil.

5) Can goods that become completely exhausted for their use be submitted under temporary admission?

The procedure based on this Guide only allows for the admission of goods that are exhausted for their use when destined to olympic and paralympic teams, or imported for CAS and WADA, or imported by other participating parties duly licenced under IN RFB N. 1.335, as of 2013, and by media companies, whenever the sanitary control body conditions its approval to importation under this special customs regime.

The procedure performed based on IN RFB No. 1.361, 2013, allows such admission, but for goods intended for sports competitions and exhibitions, without necessarily encompassing all events related to the Games. This admission of consumables is very common when the imports for consumption do not have exemptions and the event needs to operate with a safety stock above estimates of consumption, as in the case of imports of fuel and lubricants for automobile or motorcycle events. At the end of the event, only the goods that were actually consumed (as long as the due taxes are paid) are cleared for home use, and leftovers subsequently re-exported.

There is no restriction for the importer (at his convenience) to clear the goods firstly on temporary admission, according to IN RFB No.1.361, 2013, even though his main expectation (as in the case of motor racing) is the consumption of goods.

Goods for consumption for the events referred to in Law No. 12.780, 2013, can in principle be immediately cleared for consumption, and also enjoy the exemption provided by Article 4 of Law No. 12.780, of 2013 (see Section 4.2 of this Guide).

6) May goods like shirts, socks, hats, backpacks, jackets, boots, goalkeeper gloves, balls and tennis shoes fit the concept of durables, pursuant to Law No. 12.780, as of 2013?

Yes, since under ordinary conditions of use for which such goods are normally used, their probable lifetime exceeds one year. However, note that under that law, durables with customs unit value lower than BRL 5,000.00 (five thousand reais) can also be imported definitely with tax exemption (see Section 4.2.2 of this Guide).

7) Is it possible, within the term of the temporary admission regime, under Art. 6 of Law N. 12.780, as of 2013, to transfer goods to another temporary regime, for example, to economic use, in accordance with Article 6 of IN RFB No. 1.361, 2013? If the transfer is applicable, would it be under the provisions of IN SRF No. 121, January 11, 2002?

Yes, subject to the conditions and formalities for framing the regime pursuant to Article 6 of IN RFB No. 1.361, of 2013, it is possible to transfer among regimes, in the form of IN SRF No. 121, 2002.

8) What procedures must be followed to contract an individual or legal person (logistic operator) to carry out imports under Item XIII, ¶2, Art. 4 of Law N. 12.780, as of 2013?

Aside from the requirement of licensing logistics operator according to IN RFB No. 1.335, of 2013, which must be requested by COI or Rio 2016, there is no procedure of the Federal Revenue of Brazil (Customs) for this contract, but only elements that derive from civil legislation.

Under this legislation, the contractor (logistics operator) shall demonstrate a contractual relationship with the entity mentioned in the question; that the person who represents the logistics operator has the power and mandate to do so; also that the instrument evidencing the contractual relationship specifying the services this questions mentions.

Thus, the contracted logistics operator must prove that condition before the Federal Revenue of Brazil (Customs), presenting documents that qualify the person as a logistics operator and that qualify the entity (even foreign), as well as the object of the contract, based on the elements stated under section 4.1.4.4 of this Guide.

9) Might a good temporarily admitted to be used in the events of the Olympic Games events have the consent for its nationalization denied?

Yes. The requirements for approval of a definitive permanence of a good in the country may be more stringent than those applied at the time of admission for temporary use in events of the Games.

10) Will a new product temporarily admitted need approval of DECEX (Foreign Trade Department) for its nationalization (since it will be then a used product)?

In this case, Secex advises that, as to goods admitted for economic use, for this import clearance the condition of "used" should not be informed (SECEX Ordinance No. 23, July 14, 2011, Article 43, § 4, I), and the importer, in "Additional Information" field of DI, should assign: "operation exempted from licensing, in accordance with SECEX Ordinance No. 2, 2011".

11) Is it necessary that the good under temporary admission regime be transferred to the donor before being nationalized?

No. The clearance for home use (nationalization) shall be done as described in the Donation and Receipt Term, according to item 4.3.5.1.9 of this Guide.

12) Besides donation, pursuant to Article 6 of Law No. 12.780, 2013, are there other forms of termination of temporary admissions?

Yes. There are accepted forms and customs legislation already ruled by IN RFB No. 1.361, 2013, as explained in item 4.3.5.1.9 of this Guide.

14) Which value shall be declared in nationalization customs clearance?

The estimated value of the good at the time of donation should be informed, based on its market value.

15) May goods temporarily admitted in Brazil by clearance based on DI, Electronic DSI or DSI paper form be re-exported via e-DBV, DBV?

No. The re-exportation clearance of accompanied baggage of goods sent using DE, an electronic DSE, or a DSE paper form should be carried out with the simple presentation of RBR (List of Re-exported Goods) as stated in section 2.3 of Chapter 3.

16) Does the donation of durable goods, imported with exemption, to legal entities mentioned in Art. 6 of Law N. 12.780, as of 2013, require the nationalization clearance, as it occurs with the donation of imported goods under the temporary admission regime?

No. The goods imported with exemption are nationalized since its clearance. So there is no need for a new customs clearance, but the donor must notify the Federal Revenue of Brazil (Customs) unit about the donation, and join the TDR according to model in Annex IX, for the purpose of registration of the transfer of the beneficiary of the exemption in its import declaration or in the respective process.

17) Does the transfer of durable goods, imported with exemption, to legal entities differente from the ones mentioned in Art. 6 of Law N. 12.780, as of 2013, require the nationalization clearance, as it occurs with the donation of imported goods under the temporary admission regime?

No. What is required is the payment of the taxes due and the presentation of the corresponding Federal Revenue Tax Collection Document (DARF), and the identification of the goods object of the tax payment and the corresponding DI/DSI addition or by which it was cleared, upon notice to the unit of Federal Revenue of Brazil (customs) that performed the customs clearance, in order to make the annotation in its import declaration or the respective process of the extinction of the tax benefit. The lack of communication may lead to ex-officio assessments with

addition of arrears surcharges, within supervisory actions by the Federal Revenue of Brazil (customs).

4.5 Additional applicable norms to the provisions of this Guide

Asides the provisions of this Guide, the following norms are aslo applicable:

- Normative Ruling RFB N. 800, as of December 27, 2007; 1.288, as of August, 31, 2012; and 1.361, as of May 21, 2013/
- Normative Ruling SRF N. 225, as of October 2, 2002; 611, as of January 18, 2006; 634, as of March, 24, 2006; and 680, as of October 2, 2006.

CHAPTER 3

Exports

SECTION 1

Introductory Provisions

Export refers to sending abroad a good that was located in national territory.

Even in the hypothesis of returning abroad a good that was imported temporarily (re-exportation), of international transit passage, the export operation will always be subject to customs control. This means that the exported good must be presented in a facility under customs control to be checked before it is boarded abroad or sent across land borders.

Customs control may also impose on the importer, depending on the situation, the obligation of presenting an export declaration.

The hypotheses of exemption of export declaration (common in the case of goods brought in traveller's baggage) do not exempt the good from some customs control procedures.

This Guide is primarily concerned with re-exportation cases, *i.e.* returning abroad of goods previously imported. That is a common case with sports teams, radio and TV crews, antidoping laboratories, etc., that import goods under the special customs regime for temporary admissions.

SECTION 2

Exports of goods as part of accompanied baggage

2.1 Definition

This refers to the return abroad of goods brought as part of the traveller's baggage and can occur in two distinct situations:

- return of goods imported as accompanied baggage or by means of a international courier company (door-to-door transport); and
- return of goods imported as cargo.

2.2 Reexportation of goods imported as accompanied baggage or by means of an international courier company (door-to-door transport)

Goods that are imported as baggage, exempted from the obligation of being declared by means of e-DBV, *i.e.* admitted automatically under the temporary

admission regime, must return abroad without any formalities. Therefore, they need not be declared formally to the Federal Revenue Service (Customs).

In relation to goods declared by means of e-DBV during importation, whether imported as accompanied baggage or by means of an international express shipping (according to section 3.5.1 of Chapter 2 of this Guide), customs control shall be carried out according to the same e-DBV registered upon entrance in the country.

For these goods, the traveler must inform, via computer services available on the WEB or via e-DBV App (Serpro – Viajantes) available at Apple Store or Play Store or via the same e-DBV registered upon entrance in the country, the date of the return flight or border crossing of traveler (in case this information has not yet been registered in the e-DBV). Even if a date has been informed previously, the traveler can still modify it up until the previously informed date of departure/exit.

The traveler must also present himself at Federal Revenue (Customs) in the airport's international departure area or the country's border post. There, the traveler will present the goods that shall return abroad so they are terminated from any fiscal responsibilities regarding its importation.

Note that the traveler should arrive with enough time in advance before his departure hour from Brazil to present his goods to customs control. In the case of goods that will be cleared by the airline company, the presentation of goods to the Federal Revenue (Customs) shall be prior to its delivery in the check-in counter.

It is important to highlight that the Federal Revenue (Customs), through tax auditors, might waiver the need of the traveler to present his goods. This waiver is random, so the traveler must be prepared in the event that he/she have to present his/her goods before dispatching them to the airline company.

The presentation of goods to the Federal Revenue (Customs) can also take place in the Olympic Village, in the venue designated by the Games organizers to carry out *early check-in with customs control*.

Once the early check-in is done at the Olympic Village, the goods will be under the guard of the airline company and will no longer be returned to the traveler.

The return of goods abroad can also be carried out by a traveler other than the one who entered the country. The traveler that is effectively taking the goods back abroad shall inform the Federal Revenue (Customs) the number of the e-DBV that authorized the temporary admission upon entrance in the country.

In the specific case of firearms and ammunition, such procedure shall not be carried out with the Federal Revenue (Customs) at the airports since the traveler will be submitted to civil aviation security procedures with a police official that will inspect the firearms and ammunition and will inform the Federal Revenue about the presentation of these goods so they are terminated from the temporary admission regime. However, in case of exit through land borders, this procedure does not apply and firearms shall be presented directly to the Federal Revenue (Customs).

2.2.1 Carrying values over BRL 10.000,00 (ten thousand reais) or equivalent in other currencies

Regarding carrying values, whether they are the leftovers from the values brought abroad or received or withdrawn in Brazil, the traveler must declare via e-DBV if the amount surpasses BRL 10.000,00 (ten thousand reais), or the equivalent in other currencies, and should present himself at the Federal Revenue (Customs) so his statement is verified.

Note that upon exit of values from Brazil, the traveler must also prove their origins, via:

- proof of acquisition of foreign currency from a bank or authorized exchange bureau, in equal or superior amount declared; or, in the case of presentation of a statement upon entrance in the country, in equal or superior amount to that in his possession; and
- proof of receipt, via pay order in foreign currency in his favor, or of credit card withdrawal, in the case of foreigner or Brazilian residing abroad in transit in the country.

We recommend that the traveler arrive with enough time in advance before his departure hour from Brazil to submit the carry-on values to due inspection by the Federal Revenue (Customs).

Once the traveler has declared the carrying of values upon entrance in Brazil, the remaining values must be declared in the same e-DBV registered upon entrance in the country. In case there is no registered e-DBV upon entrance, the traveler must declare them in a new e-DBV.

2.3. Reexportation of goods imported as cargo

Goods imported as cargo and reexported in the traveller's baggage must be previously declared to the Federal Revenue (Customs) via RBR, paper form, two copies, according to the model in Annex I of this Guide, where you will also find instructions to fill it out.

SECTION 3

Reexportation of goods via international courier company (door-to-door transport)

In these cases, the exporter, upon contracting the international courier company, shall inform that it is the return of a good under temporary admission regime and shall supply the necessary information as in Annex I of this Guide for the due customs clearance.

The courier company shall deliver the RBR form to the Federal Revenue (Customs) via a digital dossiers (one per RBR) informing in the proper field its number and in the "Additional Information" (Informações Adicionais) field of the DERE, under the title "Reexportation" inform the corresponding numbers of the digital dossiers where the RBR forms were digitalized and whose goods the DERE covers.

SECTION 4

Reexportation of goods as cargo

The reexportation of goods as cargo can be carried out via DE or DSE, in Siscomex, or via DSE paper form, according to the model approved by Normative Ruling SRF N. 611, as of 2006, available in Annex X of this Guide.

The use of DSE form to reexport goods under the special customs regime for temporary admissions is not limited to the value of the operation.

In any case, in the field "Additional Information", the expression "Reexportation" shall be registered and the types of import declaration shall be identified along with the respective number where the goods that will be reexported were imported or, alternatively, the numbers of the corresponding dockets for the clearance under the special temporary admissions regime.

SECTION 5

Additional applicable norms to the provisions of this Guide

Asides the provisions of this Guide, the following norms are also applicable:

- Normative Ruling RFB N. 1.073, as of October 1, 2010;
- Normative Ruling SRF N. 28, as of April 27, 1994; and 611, as of January 18, 2006.