



memorandum to clients

02.04.2016

RFB Normative Rule no. 1613 – Annual Income Tax Return of Individuals – Fiscal Year 2016

Normative Rule of the Federal Revenue of Brazil no. 1613 (“IN RFB no. 1613/2016”), published on Feb. 2, 2016, defined the rules and procedures for the filing of the Annual Income Tax Return of Individuals (“Return”), relative to the fiscal year of 2016 / calendar year 2015, by individuals resident in Brazil.

Firstly, it is important to point out that the term to file the Return will be from March 1 to April 29 of 2016, at 11:59:59 p.m., Brasília time.

Among the main provisions brought by the Normative Rule, we highlight the mandatory requirement to file the Return for all individuals who, during 2015:

- Received taxable earnings subject to adjustment in the Return, whose sum was superior to R\$ 28,123,91 (twenty-eight thousand, one hundred and twenty-three reais and ninety-one centavos);
- Received exempt earnings, not taxable or taxed exclusively at source, whose sum was superior to R\$ 40,000.00 (forty thousand reais);
- Earned, in any month, capital gains at the disposal of assets or rights, subject to the charge of the tax, or who performed transactions in stock, commodities, futures, and similar markets;
- In relation to rural activities, earned gross revenues superior to R\$ 140,619.55 (one hundred and forty thousand, six hundred and nineteen reais and fifty-five centavos) or intended to offset, in the calendar year of 2015 or posterior years, losses of previous calendar years or of the calendar year of 2015;
- Had, on December 31, the possession or ownership of assets or rights, including bare land, of total amount superior to R\$ 300,000.00 (three hundred thousand reais);
- Became resident in Brazil in any month, and such was their status on December 31; or
- Opted for the exemption of the Income Tax on capital gains earned at the sale of residential property, whose sales proceeds are invested at the acquisition of residential properties located in the Country, within 180 (one hundred and eighty) days as of the execution of the sales agreement, pursuant to article 39 of Law no. 11,196/2005.

The Return must be exclusively prepared digitally and filed by the Internet.

Furthermore, this normative rule altered the simplified discount corresponding to the deduction of 20% of the taxable earnings in the Return, to the limit of R\$ 16,754.34 (sixteen thousand, seven hundred and fifty-four reais and thirty-four centavos).

As to the other provisions in IN RFB no. 1613/2016, only the rules of the Return utilized for the fiscal year of 2015 (calendar year 2014) were reenacted, and it is worth stating that the delay fine or fine for the failure to file the Return remains at the minimum amount of R\$ 165,74 (one hundred and sixty-five reais and seventy-four centavos) and the maximum amount of 20% on the due tax amount.

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Lastly, it should be stressed that the payment events remain unchanged and that the tax balance may be paid in up to 8 installments, monthly and consecutive, not lower than R\$ 50.00 (fifty reais). The first installment or lump sum payment is to be paid by April 29, and can be made by electronic funds transfer, through the Federal Revenue Collection Document (“DARF”) or by direct debit from a bank account.

We at **souza, schneider** are entirely available to assist our clients in relation to the above matter.



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