

MEMORANDUM TO CLIENTS

05.21.2015

BRAZILIAN PROGRAM OF AUTHORIZED ECONOMIC OPERATOR

The Brazilian Program of Authorized Economic Operator (“AEO”) was created through Normative Rule of the Federal Revenue of Brazil n.º 1.521, dated December 4, 2014 (“IN RFB n.º 1.521/2014”), with the purpose of perfecting and standardizing the safety systems and customs control in Brazil, applied to all intervening parties in foreign trade transactions involved in the international movement of goods.

The Program, of voluntary adhesion, is aimed at having, by 2019, 50% of the export and import declarations being performed by companies certified with the AEO, and provides the following benefits to intervening taxpayers:

- i. Enjoyment of the advantages and benefits of future agreements for mutual recognitions entered into between the Brazilian Customs and the Customs of other countries;
- ii. Utilization of a direct communication channel with the Federal Revenue of Brazil;
- iii. Reduction of cargo selected for the verification channel (cost/time reduction);
- iv. Immediate parameterization, following the registration of the import/export declaration, without the need to wait for the formation of lots;
- v. Priority of analysis of certification procedures of the subsequent phases;
- vi. Exemption of guarantee in customs transit (exclusive for carriers);
- vii. Exemption of the requirement of qualification in the special customs systems;
- viii. Use of the AEO Program logo and advertising on the Federal Revenue of Brazil’s website; and
- ix. Participation in the formulation of amendments to the legislation and customs procedures to perfect the Program, through an Advisory Forum.

The implementation of the program started in December 2014, with five pilot companies, and as of March 2015, it was made available to other interested intervening parties. Currently, the implementation of the program is broken down into 3 phases:

- i. **AEO Safety (“AEO-S”)**: aimed at the export market, the economic operators will receive a certificate based on the performance of the safety requirements defined by the Program;
- ii. **AEO Compliance (“AEO-C”)**: aimed at the import market, it will be implemented as of June/2015, after the certification of AEO-S safety technical requirements, which will be intended for the compliance of the internal customs rules (tax and customs legislation, and non-statutory procedures); and

¹The following intervening parties may receive certification:

- Brazilian Importers and Exporters;
- Depository of goods under customs control;
- Port and airport operators;
- Carriers;
- Customs brokers;
- Cargo agents, among others.

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iii. **AEO Integration (“AEO-I”)**: whose implementation purpose will occur as of December/2016, seeking the integration of the customs system with the other bodies involved in foreign trade activities, such as ANVISA, VIGIAGRO, and others. In this last phase, the system, after being duly implemented, may be used by the other bodies that regulate the import and export of specific goods, so as to facilitate the entry and exit of these goods in the national territory.

The certification is intended to all intervening parties that meet the mandatory requirements, among them, (i) proof of good standing with their tax liabilities before the Federal Government; (ii) enrolled with the Corporate Taxpayers Registry (CNPJ/MF) within at least 24 months and the collection of taxes for the same period; (iii) activity as an intervening party qualified for the certification for at least 24 months; and (iv) Digital Accounting Bookkeeping.

Upon meeting these requirements, the intervening parties are to submit to the Federal Revenue of Brazil of their jurisdiction the Self-Assessment Questionnaire (“SAQ”), defined by Annex IV to IN RFB n.º 1.521/2014, which will be analyzed by a specific Technical Team, within 90 days, and may be extended for an equal period, upon justification, or suspended in case of a request for clarification by the Customs Department.

Souza, Schneider, Pugliese e Sztokfisz Advogados offers a specialized team to assist the clients in the process for obtaining the AEO certificate, and is available for any further clarifications you may need.

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