

ANNEX

I. Measures Announced under the Bigger Brazil Plan

1. Incentives for Investment and Innovation

1.1. Tax Incentives		
Measure	Description	Impact
Reduction of taxes on investment goods	Extend for 12 additional months the reduction of taxes on capital goods, construction materials, trucks and light commercial vehicles	Reduction of investment cost in fixed capital
Accelerated reimbursement of tax credits on capital goods	Progressive reduction of the period for reimbursement of taxes on capital goods	Reduction of investment cost in fixed capital

1.2. Financing of Investment		
Measure	Description	Impact
Extension of BNDES PSI	Extension of PSI until December 2012.	Increased support for aggregation of value through innovation and acquisition/production of goods
Increased Working Capital for Small and Medium Companies through BNDES	New conditions of credit at preferential rates until December 2012, including the following sectors as eligible: auto parts, furniture, and artefacts. Budget increased from R\$3.4 bi to R\$10.4 bi	Reduction of working capital cost; more resources and better credit conditions for working capital
Relaunching of BNDES Program <i>Revitaliza</i>	New financing conditions for investment, with budget of R\$6.7 bi, until December 2012. Inclusion of auto parts as eligible sector.	Reduction of investment cost
Creation of BNDES Program <i>Qualificacao</i>	Support for expansion of private institutions for qualification of professionals, with budget of R\$3.5 bi	Increase of qualified labor
Creation of BNDES Program for Climate	Resources to finance projects that reduce greenhouse gas emissions	Cleaner production

1.3. Financing of Innovation		
Measure	Description	Impact
New resources for FINEP	Increase of credit of R\$2 bi to increase FINEP's innovation portfolio	More availability of credit for innovation
Pre-approved credits for innovation plans	Inclusion of innovation plans of companies in BNDES Innovation Credit Line	Faster access to resources for innovation
Expansion of BNDES Sectoral Programs	Increase of budget and easier conditions for BNDES sectoral programs upon their renewal	Increased resources for knowledge-intensive sectors
Financing for Reduction of Emissions	Support for technological development and sale of capital goods with INMETRO's label of energy efficiency and equipment destined for the reduction of greenhouse gas emissions	Cleaner production

2. Foreign Trade

2.1. Tax Incentives for Exports		
Measure	Description	Impact
Creation of the <i>Reintegra</i> regime	Reimbursement of accumulated credits equivalent to the export value of manufactured goods	Reduction of costs of exports
Expand reimbursement of credits for exporters	Speed up reimbursement of credits totaling R\$19 bi	Reduction of costs of exports

2.2. Trade Defense		
Measure	Description	Impact
Strengthening of antidumping, safeguards and CVDs	Conclusion of original investigations (dumping safeguards and CVDs) within 10 months Imposition of provisional measures in 120 days	More efficiency in the defense against unfair imports
Increase fourfold the number of trade analysts	Increase from 30 to 120 the number of trade analysts involved in trade remedy investigations	Increased capacity to conduct simultaneous investigations
Combat of circumvention	Extension of antidumping duties or CVDs to imports circumventing measures already in force	More efficiency in the defense against unfair imports
Combat against false declaration of origin	Denial of import license in case of false declaration of origin, after investigation	More efficiency in the defense against unfair imports
Combat against underpricing	Strengthening of control over import prices to identify cases of underpricing	Reduction of exposures of sectors affected by unfair imports
Improvement of Mercosur's Import Tariff Structure	Support of proposal to allow unilateral increase of import duties by Mercosur members	More flexibility in the use of the import tariff
Increased requirement of compulsory certification	Introduction or expansion of administrative treatment for importation of products subject to compulsory certification Stricter customs control of such products by means of cooperation among INMETRO, SECEX and customs 150 new employees for INMETRO	Equal treatment between imported and national products
Stricter control to avoid illegal imports	Cooperation agreement between MDIC and Minister of Justice to avoid violation of IP rights and compulsory certification	Reduction of illegal imports
Suspension of <i>ex-tarifarios</i> for used machine and equipment	Review of CAMEX Resolution suspending the concession of <i>ex-tarifario</i> incentives for used goods	Reduction of import of used capital goods

2.3. Financing and Guarantees for Exports		
Measure	Description	Impact
Creation of fund to finance export of small and medium companies	Revenue of eligible companies must not exceed R\$60 mi	New source of financing; increased access to credit insurance
Automatic inclusion in PROEX Equalization	Establishment of spreads that will have automatic approval in exports of goods and services; companies with revenue between	Predictability and transparency for financial institutions and exporters; simplification of procedures and

2.3. Financing and Guarantees for Exports		
Measure	Description	Impact
	R\$60 to R\$600 mi will continue to have financing conditions equal to PROEX Financing	increased number of beneficiaries
Guarantee Fund for Exports – rotating limit for exports to countries with lower risks	Budget of US\$50 mi per year destined to exports of manufactured goods	Increased access to guarantee by exporter
Entry into force of ATA-CARNET	Easier circulation of goods in temporary admission (without taxes)	Faster clearance of samples, goods for exhibition, etc
National Strategy of Exports	Adoption of trade promotion strategy focusing on selected products/services and markets	Expansion and diversification of Brazilian exports

3. Defense of Industry and Domestic Market

3.1. Reduction of Taxes on Labor		
Measure	Description	Impact
Reduction of taxes on labor until 2012 (pilot project)	Contribution will shift from payroll to revenue from sales in the internal market; benefitted sectors: apparel, footwear, furniture, and software	Maintenance and generation of jobs; incentive to production activity

3.2. Special Automotive Regime		
Measure	Description	Impact
Creation of New Automotive Regime	Tax incentive as offset for investment, aggregation of value, job creation and innovation	Increase of investment, aggregation of value, jobs and innovation

3.3. Government Procurement		
Measure	Description	Impact
Regulation of Law 12,349/2010	Establishes preference margin of up to 25% in government procurement for domestic goods and services meeting Brazilian technical regulations Focus on the following sectors: health, defense, textile and apparel, footwear	Stimulus for job creation and technological innovation in selected sectors

3.4. Harmonization of Financing Policies		
Measure	Description	Impact
Agreement Among Public Banks	Harmonization of financing conditions of public banks using federal resources	Aggregation of value and creation of jobs in Brazil

II. **Legislation Already Published in Brazil Implementing Measures Announced in the Bigger Brazil**

- Provisional Measure No. 541, published in the *Official Gazette* on August 03, 2011: creates a fund to finance exports, and changes the name and functions of INMETRO.
- Decree No. 7,541, published in the *Official Gazette* on August 03, 2011: reduces taxes on certain manufactured goods.
- Decree No. 7,542, published in the *Official Gazette* on August 03, 2011: reduces taxes on certain manufactured goods.
- Decree No. 7,543, published in the *Official Gazette* on August 03, 2011: taxes on certain manufactured goods.
- Decree No. 7,546, published in the *Official Gazette* on August 03, 2011: establishes the Interministerial Commission for Public Procurement.
- Ordinance No. 593 of the Ministry of Science, Technology and Innovation, published in the *Official Gazette* on August 05, 2011: establishes a working group aimed at creating the Brazilian Enterprise of Research and Industrial Innovation with a view to fostering cooperation projects involving national companies and creating innovative products and processes in national companies.
- Normative Instruction No. 1,181 of the Federal Revenue Secretariat of Brazil, published in the *Official Gazette* on August 18, 2011, which establishes a voluntary customs compliance program aimed at waiving special control procedures for imports into Brazil.
- SECEX Ordinance No. 28, published in the *Official Gazette* on August 29, 2011: initiates a public consultation on the review of Decree No. 1,602/05, which regulates the application of AD measures in Brazil.