

SETTING UP BUSINESS IN BRAZIL



The first step to start a business in Brazil is to make the legal registration with the Board of Trade or in the Corporate Registry Office. In order to register, you must submit a series of documents and forms, which vary from state to state. However, the most common documents are: personal documents of each partner (in the case of a company) and the Articles of Incorporation, clearly defining: the interests of the parties; the company's goal; the description of the corporate aspect, and the way the quotas are paid-in.

In order to become valid, the Articles of Incorporation should be reviewed by a lawyer - micro and small businesses are exempt from this requirement. It is also recommended to check if there is another company registered under the same name.

If everything is right, it is possible to proceed, and the following documents are required:

- Articles of Incorporation/ Individual Entrepreneur Application/ Bylaws, three copies
- Certified copy of the ID Card (RG) and Taxpayers ID (CPF) of the owner or partners
- Standard Application (Cover of Board of Trade), one copy
- National Registration Form (FNC), Model 1 and 2, one copy
- Payment of fees through a bank slip (DARF)

Once the company is registered, the owner will receive the NIRE (Company Registration Identification Number), which is a sticker or stamp provided by the Board of Trade or the Notary, containing a number that is established in the incorporation act.



With the NIRE in hand, one can get the National Register of Legal Entities (CNPJ), which identifies the company as a taxpayer to the federal government.

The CNPJ registration is done via the Internet at the Federal Revenue Service (Receita Federal) website.

After registering the CNPJ, one must go to the City Hall or the Regional Administration for the business license. It enables the establishment and operation of commercial institutions, industrial, agricultural and service providing institutions. This procedure is done at the City Hall, the Regional Administration or Municipal Secretariat.

Generally, the following documents are required:

- City Hall Form
- Approval of the address, through prior consultation
- Copy of the CNPJ
- Copy of Articles of Incorporation
- Survey Reports by inspection agencies, as applicable



The State Registration must be done at the State Finance Secretariat. Currently, most states have an agreement with the Federal Revenue Service which allows the State Registration to be obtained together with the CNPJ through a single registration.



The State Registration is mandatory for companies in the sectors of commerce, industry and intermunicipal and interstate transport services. The State Registration is necessary for the company to register at the ICMS (Tax on Goods and Services). In general, the documentation required for registration is:

- Single Registration Document (DUC), in triplicate
- Supporting Registration Document (DCC), one copy
- Proof of address of partners, certified copy or original document
- Certified copy of the document proving the right to use the property
- Tax registration number of the accountant
- Proof of registration under the ISS (Service Tax), for service providers
- Simplified Certificate by the Board of Trade
- A copy of the incorporation act
- Copy of the CNPJ, Copy of business license, RG and CPF of partners

After receiving the business license, the company is then able to go into operation. However, there are still two fundamental steps for its operation:

Registration with the Social Security within 30 days after the start of activities, and authorization of the local government for printing of invoices and authentication of tax books. For companies operating in the industrial and commercial sectors, as well as for companies in the Federal District, regardless of their area of operation, such authorization is issued by the State Secretariat of Finance.



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