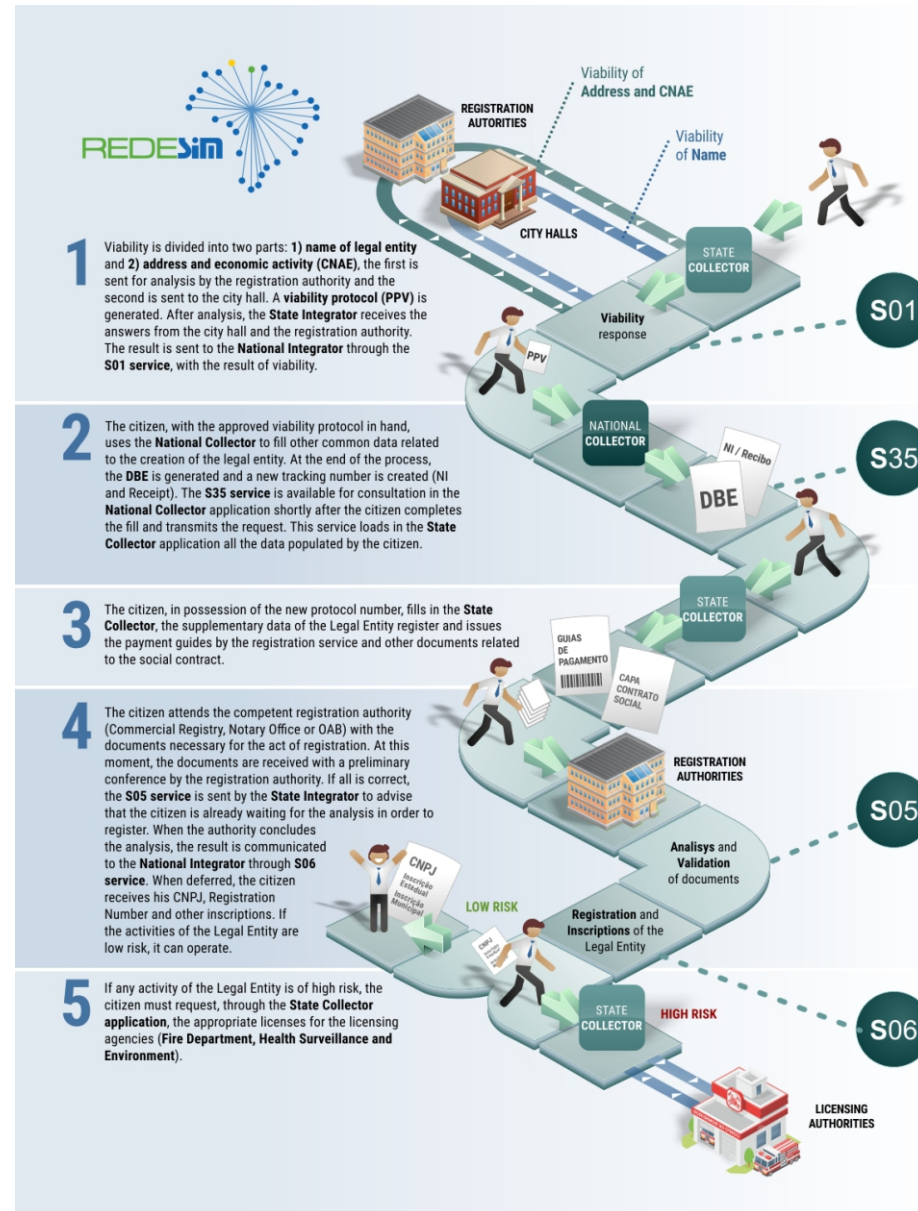
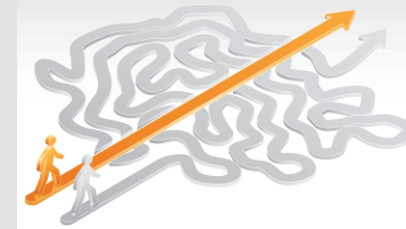


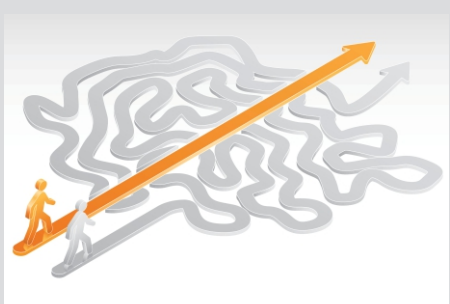
## Brazil is simplifying its business environment

Brazil has made a great effort in order to simplify its taxes payment system. All processes are currently highly integrated and fully digitized. Today, a merchant company issues an Electronic Invoice (NF-e) and receives the authorization to use it in fractions of seconds. Starting there, companies use their integrated management systems to prepare their bookkeeping and tax files, which are digitally signed and sent to the tax authorities. This is the essence of the Public Digital Bookkeeping System –SPED.

Currently, more than 300 million Electronic Invoices (NF-e) are issued per month. The national repository, managed by the Federal Revenue Service, contains more than 19 billion invoices from all over Brazil.



In addition, payroll procedures are also being digitized. The Brazilian government is finalizing the eSocial, a system that will completely automate payroll calculations and facilitate the provision of general information regarding labor records. This system is already available for domestic employees, facilitating the issuance of more than 1,2 million paychecks and is being extended to companies, unifying various tax, labor and social security obligations currently imposed on them. In its first phase, started in January 2018, the system is being implemented in about 13,000 companies, reaching 15 million employees. By initiatives such as these, the payment of taxes and the sending of declarations to government by taxpayers and employers are increasingly simplified in Brazil.



## Measuring Business Regulations

The Doing Business 2018 report, which compares the degree of regulation for domestic firms in 190 economies, ranked Brazil in 123rd. This position has been kept over the last decade. Contrasting with this apparent stability is implementation of the whole Public Digital Bookkeeping System - SPED, which digitized and simplified all federal tax compliance processes and effective advances made in the period by the Brazilian economy.

The Federal Revenue of Brazil - RFB has undertaken great efforts to raise awareness of respondents and technical teams of the World Bank on the need to adjust the methodology to the Brazilian reality. Several meetings were held between the technicians of the bodies and entities involved and the agents responsible for the survey, as well as visits and document delivery directly to the coordinators in Washington.

One of the works that best shows this need for a review of the research is the recent survey conducted by the National Federation of Accounting Services Companies and the Advisory, Information, and Research Companies – Fenacon.

The survey, carried out among its members in the cities of São Paulo and Rio de Janeiro, and taking into account the premises of the case study adopted by Doing Business, concluded that it takes 586.4 hours/year to comply with tax payment obligations, just under 1/3 of what is crystallized by the World Bank survey, a total of 1,958 hours/year.



	Doing	Fenacon
VAT (ICMS, IPI,	1.161	373,2
Corporate Income	462	116,0
Payroll	335	97,2
	1.958	586,4

The task of achieving a result that reflects effectively the Brazilian reality has a follow-up this year, with research, studies and identification of normative and legal points that need improvement.

For further information, please check the Federal Revenue of Brazil's website at: [www.rfb.gov.br](http://www.rfb.gov.br)

## BUSINESS ENVIRONMENT SIMPLIFICATION

