



27 March 2024

(24-2630)

Page: 1/2

Committee on Subsidies and Countervailing Measures

Original: English

SUBSIDIES

REPLIES TO QUESTIONS¹ POSED BY THE UNITED KINGDOM REGARDING THE NEW AND FULL NOTIFICATION OF BRAZIL²

The following communication, dated and received on 25 March 2024, is being circulated at the request of the delegation of Brazil.

Question 1

Capacity building and competitiveness enhancement in Information and Communication Technology and related fields

Could Brazil please provide further information on the eligibility criteria for the scheme, including whether foreign enterprises operating in Brazil are able to qualify?

Reply:

The basic criteria for the Brazilian program are established in articles 11 and 16-A of Law 8248/91, and articles 2 and 5 of Law 13969/19. They apply to both national and foreign companies. Therefore, there are no restrictions for foreign companies.

Question 2

Could Brazil please clarify what are the 'related fields' that are eligible for support under the scheme?

Reply:

The Brazilian program is applicable, in general, to Information and Communication Technologies (ICT) under the terms outlined by Law 8248/91 and Law 13969/19, and their amendments. However, the term "related fields" was used to refer to ICT applicable to other sectors such as healthcare or industrial automation.

Question 3

Productive Development Policy

Could Brazil please clarify which enterprises are eligible for the "reduction to zero of contribution for the PIS/Pasep and Cofins tax rates on the sale or importation of aircraft classified under heading 88.02 of Tipi"? Would foreign enterprises operating in Brazil also be eligible to apply?

¹ [G/SCM/Q2/BRA/58](#)

² [G/SCM/N/401/BRA](#)

Reply:

Brazilian law that exempts aircrafts, as well as their parts and components, from PIS/Pasep and Cofins tax rates does not mention any requirement regarding the nationality of the company benefiting from the exemption. Furthermore, unlike the corresponding exemption for vessels, there is no need for prior registration.

Question 4

Rota 2030 Programme - Mobility and Logistics

Could Brazil please clarify whether foreign enterprises operating in Brazil can apply for the scheme?

Reply:

The Rota 2030 Programme has no restriction on the participation of foreign enterprises operating in Brazil.

Question 5

Could Brazil please provide information on the number of enterprises which benefited from the scheme during FY 2020/21 and FY 2021/22?

The notification states that the scheme would end in December 2023.

Reply:

In 2020, 69 enterprises qualified to these tax benefits. In 2021, this number increased to 79.

Question 6

Could Brazil please confirm whether the scheme has now ended, or are payments under the scheme expected to still to be made during 2024?

Reply:

Since December 1st, 2023, the Rota 2030 Programme no longer accepts applications. Previously qualified enterprises still have to annually prove they fulfil the commitments made to qualify for benefits. The obligation to comply with the mandatory requirements for importing and selling vehicles in Brazil, as per Chapter I of Law No 13755/2018, which established the Rota 2030 Programme, remains in force in 2024.

Question 7

National Programme for Financing the Enlargement and Modernization of the National Fishing Fleet - PROFROTA Pesqueira

The notification states that the total amount provided under the scheme during the reporting period was BRL 0.00.

Could Brazil please provide information on the total or annual budget allocation for the scheme?

Reply:

PROFROTA Pesqueira has not been in operation since 2015. Its annual budget allocation was established only for the years 2005 to 2015. These budget allocations are not in force anymore. New budget allocations might be established in case the programme is resumed.
