

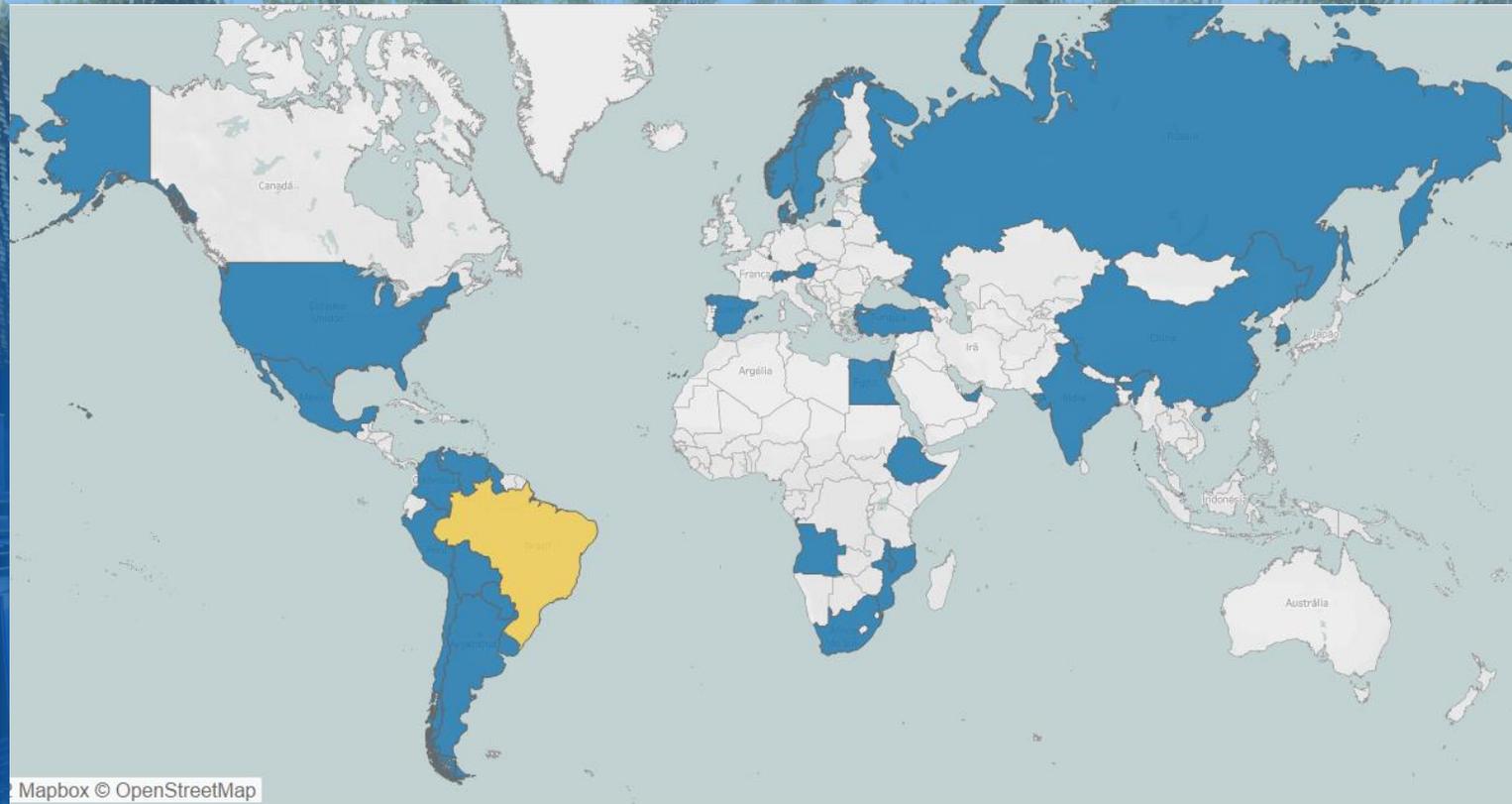
NEWS

DIPLOMATIC BRIEFING

WHAT PROGRESS WAS MADE AND WHAT PROGRESS CAN BE MADE IN THE BRAZILIAN PARLIAMENT

CONFERENCE





International agreements approved by the National Congress and monitored by CNI (2010 - 2022)

68 proposals approved | 29 countries | 6 international organizations

68 agreements signed with **29** countries and **6** international organizations

68

**Have become a
Legal Norm**

44

**Being processed
at Congress**

Examples:

- Approved:
 - Madrid Agreement Concerning the International Registration of Marks (CD-PDC 860/2017).
 - 2018 and 2019 Industry Agendas

- Still being processed:
 - Inter-American Convention against Racism (CD-PDC 861/2017).

THE CONGRESS IN 2022

Main Highlights of this year in international agreements and foreign trade

Drawback Extension

- This measure, transformed into Ordinary Law No. 14366/2022, extends by one year the deadlines for the drawback concessions of the Special Drawback Regime expiring in 2021 and 2022 and, from 2023, exempts the AFRMM for goods subject to the Drawback Exemption.

Ratification of the Kigali Amendment on greenhouse gas control

- Publication of Legislative Decree No. 95/2022 approving the text of the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer.

Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs

- Converted into Legislative Decree No. 150/2022, the matter proposes Brazil's accession to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs.

Agreement between Brazil and Ethiopia on Investment Cooperation and Facilitation

- The agreement, approved in the form of Legislative Decree No. 142/2022, establishes an institutional framework for the management of an investment cooperation and facilitation agenda

THE CONGRESS IN 2022

Other highlights of this year

- ❑ **MERCOSUR Trade Facilitation Agreement (ALI 2022) - CD-MSC 512/2020.**
 - ❑ CREDN (awaiting advisory opinion of the rapporteur, Marcel Van Hattem - NOVO/RS),
 - ❑ CDEICS (awaiting advisory opinion of the rapporteur, Otto Alencar Filho - PSD/BA),
 - ❑ **CFT (bill approved in nov/2022),**
 - ❑ CCJC (awaiting appointment of rapporteur),
 - ❑ Plenary (awaiting appointment of rapporteur).

- ❑ **Mercosur Protocol on Public Procurement (ALI 2022) - CD-MSC 599/2018.**
 - ❑ CREDN (awaiting voting on the advisory opinion of the rapporteur, Alexandre Leite - União/SP, who supported the bill),
 - ❑ CDEICS (awaiting advisory opinion of the rapporteur, Sidney Leite - PSD/AM),
 - ❑ **CFT (bill approved in jun/2022),**
 - ❑ **CCJC (bill approved in dec/2022),**
 - ❑ Plenary (awaiting appointment of rapporteur).

- ❑ **Avoiding double taxation between Brazil and Uruguay on income and capital taxes and prevention of tax evasion and avoidance - CD-MSC 44/2020.**
 - ❑ **CREDN (bill approved in nov/2022),**
 - ❑ **CFT (bill approved in jun/2022),**
 - ❑ **CCJC (bill approved in dec/2022),**
 - ❑ Plenary (awaiting appointment of rapporteur).

OVERVIEW

❑ WHAT IS UNDER DISCUSSION NOW?

- ❑ Budget and the Transition PEC (Constitutional Amendment Bill)
 - ❑ Mutual interests of Executive and Legislative branches
- ❑ Consensus for maintaining the *status quo*
 - ❑ *Rodrigo Pacheco (PSD/MG) in the Senate*
 - ❑ *Artur Lira (PP/AL) in the Chamber of Deputies*

❑ THERE IS GOVERNABILITY...

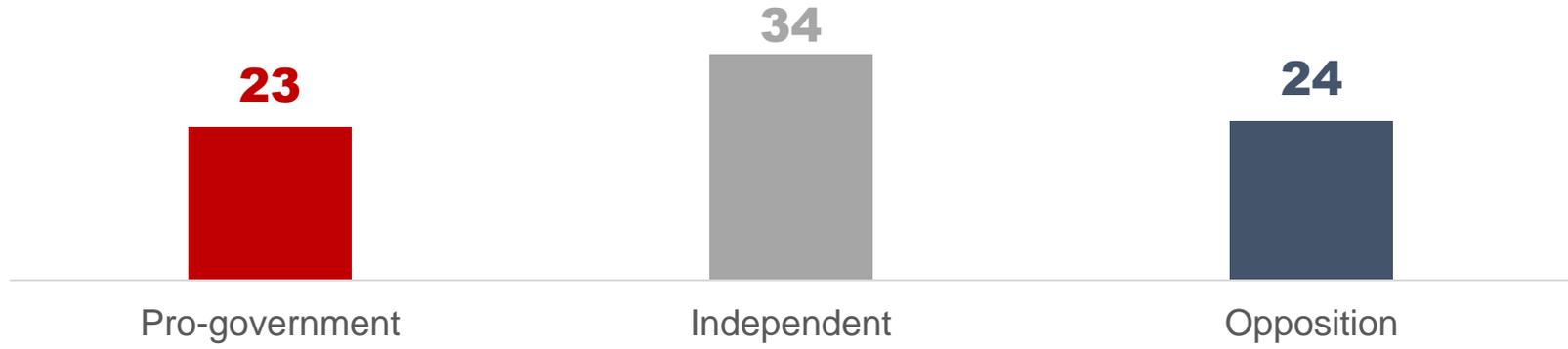
- ❑ ...mainly in the Chamber of Deputies. In the Senate, not so much.
- ❑ Election Results: the strength of the center-right
- ❑ Lula put up a broad front
- ❑ With the accession of MDB and PSD, the Coalition Government is back

❑ THE CHALLENGES OF A BROAD FRONT

- ❑ Tug of war between PT and “Centrão”
 - ❑ Pragmatism vs Left Ideology (PT, PSOL)

GOVERNABILITY **LULA** IN THE SENATE

**WITH FEWER SUPPORTERS THE COMPOSITION
COST IS HIGHER – SUPPORT IS CIRCUMSTANTIAL**



Quorum required for PEC approval

49 SENATORS

GOVERNABILITY

LULA IN THE CHAMBER OF DEPUTIES

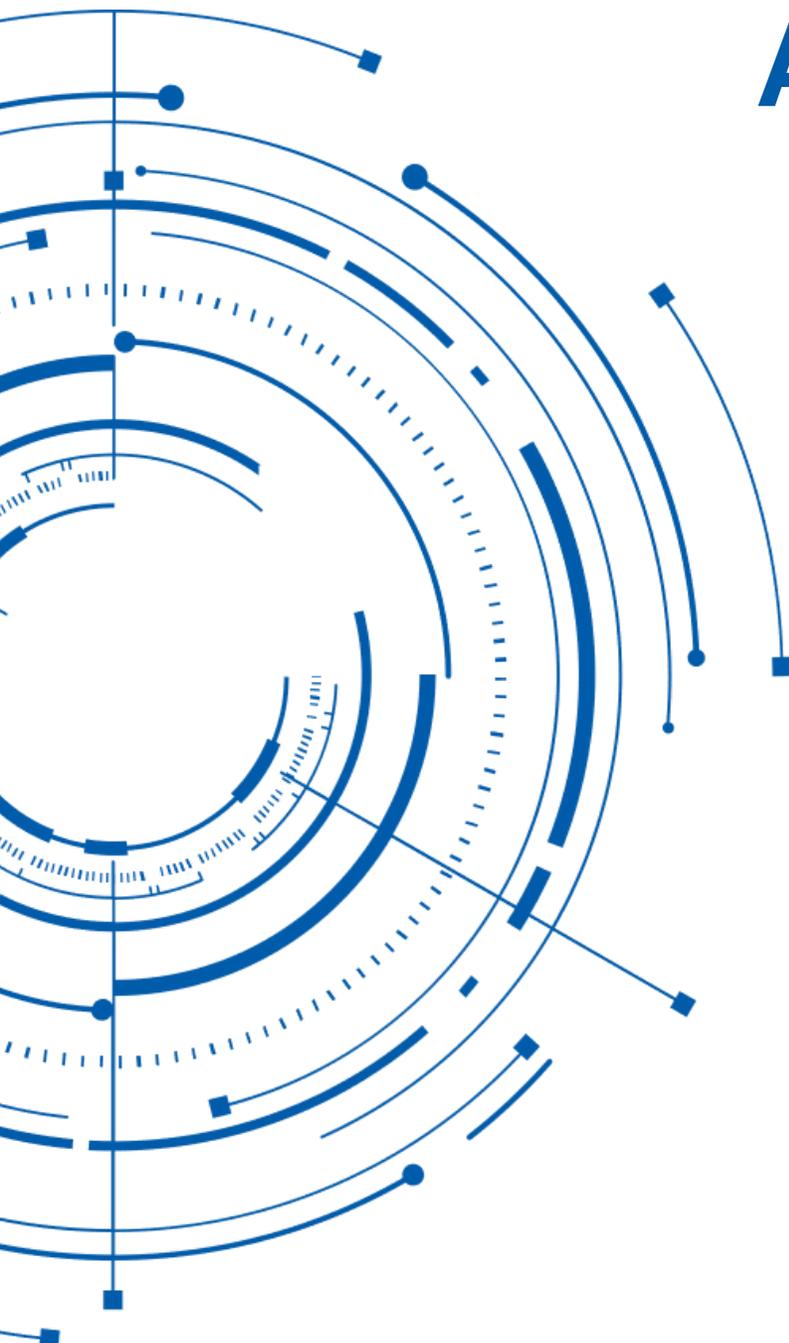
AFTER THE VICTORY, A COALITION GOVERNMENT IS ALREADY A REALITY



Quorum required for PEC approval

308 DEPUTIES

AGENDAS MOVING AHEAD



- Committees at year's end**
 - Regional Development Policy - Extension of Corporate Income Tax and reinvestment incentives in Sudam and Sudene areas (CFT)
 - National Statute for the Simplification of Ancillary Tax Obligations (CCJC)

- Plenary**
 - Lobbying Regulation (awaiting assignment by the Senate)**
 - Taxpayer Defense Code
 - Classification of API-containing medicines in the priority category

- Passed:**
 - Piercing the Corporate Veil
 - National Policy for Incentives to Precision Agriculture and Livestock Farming
 - Agreement to establish an OECD Office in Brazil**

NEXT YEAR



- Infrastructure**
 - Concession review risk: Highways and Airports
 - Electricity Sector Framework

- Labor Relations**
 - Changes to Labor Reform – Self-employment
 - Union Tax – Form of Union Financing

- Environment**
 - Decarbonization of the economy
 - Green hydrogen
 - Bioeconomy
 - Carbon market
 - Solid waste management
 - Energy and transition of the energy mix
 - Government regulation
 - Agricultural self-control
 - Environmental permits

- Tax Reform**



THANK YOU!

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