

**De:** Velloza & Girotto  
**Enviado em:** sexta-feira, 2 de dezembro de 2011 12:19  
**Para:** Velloza & Girotto  
**Assunto:** V&G News - Special Edition nº 42 - Decree No. 7,632/11: Changes in IOF/Credit and IOF/FX - Rectification



VELLOZA & GIROTTTO  
ADVOGADOS ASSOCIADOS

**V&G News**  
Special Edition nº 42  
02 de dezembro de 2011

## Decree No. 7,632/11: Changes in IOF/Credit and IOF/FX

December 01, 2011, Decree No. 7,632/11 was published in the Federal Official Gazette, changing Articles 7 and 15-A of Decree No. 6,306, of 12.14.2007 (“**Decree No. 6,306/07**”), which regulates the levy of the Tax on Credit, Foreign Exchange, Insurance and Securities Transactions (“**IOF**”).

Below are brief summary of the provisions regarding IOF tax matters given by Decree No. 7,632/11:

### **Article 7 of Decree No. 6,306/07 – IOF applicable to Credit Transactions (“IOF/Credit”) – individual borrowers**

Decree No. 7,632/11 reduced to 0.0068% the IOF/Credit tax rate **applicable to individual borrowers** undertaking loan transactions (article 7, item I, of Decree No. 6,306/07), as well as to baking discount transactions (article 7, item II, of Decree No. 6,306/07), advance payments to depositors (article 7, item III, of Decree No. 6,306/07), loans and financing transactions in which the release of the funds is segregated in installments (article 7, item IV, of Decree No. 6,306/07), credit limit breaches (article 7, item V, of Decree No. 6,306/07) and financing transactions for the acquisition of non-residential real estate (article 7, item VII, of Decree No. 6,306/07).

### **Article 15-A of Decree No. 6,306/07 – IOF applicable to Foreign Exchange Transactions (“IOF/FX”) – Foreign Investors**

Decree No. 7,632/11 also **reduced to zero** the IOF/FX tax rate applicable to the settlement of foreign exchange transactions (“**FX**”) (including simultaneous foreign exchange transactions, when applicable), carried out by foreign investors, as of December 1, 2011, involving:

- the remittance, from abroad and into Brazil, of funds for variable income investments in Brazil, carried out within stock exchange and/or futures and commodities exchange, according to Monetary Council (“**CMN**”) regulations, except for derivative structures with pre-established

earnings (article 15-A, item XIII, of Decree No. 6.306/07);

- the inflow of funds in Brazil for the acquisition of shares in public offerings registered or dismissed from registration before the Brazilian Securities Commission (“**CVM**”), or for the subscription of shares, provided that in both cases the issuing companies are duly registered for trading within a stock exchange (article 15-A, item XIV, of Decree No. 6.306/07);
- the inflow (into Brazil) of funds for the acquisition of shares in Equity Investment Funds (“**FIP**”), investment funds of emerging legal entities (“**FIEE**”) and investment funds investing in those investment funds, all incorporated according to the pertaining CVM rules (article 15-A, item XV, of Decree No. 6.306/07);
- simultaneous FX for the inflow (into Brazil) of funds by means of the cancellation of Depositary Receipts, for investing in stocks traded within stock exchange market (article 15-A, item XVII, of Decree No. 6.306/07);
- simultaneous FX for the inflow (into Brazil) of funds deriving from the change of foreign investment regime, from direct investment regulated by Law No. 4,131/62, to investment in stocks traded in stock exchange market, as regulated by CMN (article 15-A, item XVIII, of Decree No. 6.306/07).

Also, with regard to the so called “bonds and securities” (“**TVM**”) issued according to articles 1 and 3 of Law No 12,431, of June 24, 2011 (“**Law 12,431/11**”) – that is, investments in Brazilian Private Bonds or Securities issued by non-financial entities under public distribution and in Investment Funds investing in Debentures of Special Purpose Entities, carried out by foreign investors in accordance with the rules and conditions established by the CMN, in accordance with the requirements set out by Law No. 12,431/11, analyzed in VG News – Special Edition No. 36, of July 1<sup>st</sup>, 2011 – the Decree No. 7,632/11: **(i)** included item XXIII to article 15-A of Decree No. 6,306/07, **establishing a zero IOF/FX tax rate** for the settlement of FX transactions undertaken by those foreign investors for the inflow (into Brazil) of funds for the acquisition of the abovementioned TVM; and **(ii)** extended the zero IOF/FX tax rate (set forth by article 15-A, item XVI, of Decree No. 6,306/07) to the settlement of FX transactions carried out in order to return the funds invested by those foreign investors in such TVM.

## **Effectiveness**

Decree No. 7,632/11 entered into force on the date of its publication (i.e., 12.01.2011); and, with regard to the changes introduced in article 7 of Decree No. 6,306/07, Decree No. 7,632/11 will produce legal effects as of the day subsequent to its publication (i.e., 12.02.2011).

THIS IS MERELY AN INFORMATIVE NEWSLETTER, RESTRICTED TO VELLOZA & GIROTTI CLIENTS. QUESTIONS AND CLARIFICATIONS ON THE MATTERS CONTAINED HEREIN SHOULD BE ADDRESSED TO OUR OFFICE.

**São Paulo - SP**

Av. Paulista, 901  
17º e 18º andares  
CEP 01311-100  
Tel. 55 (11) 3145.0055  
Fax 55 (11) 3145.0050

**Rio de Janeiro - RJ**

Rua da Assembléia, 10  
Sala 1601  
CEP 20011-901  
Tel. 55 (21) 2509.0055  
Fax 55 (21) 2509.1566

**Brasília - DF**

SRTV Sul, Quadra 701  
Cj.D, nº100 - Sala 234  
CEP 70340-000  
Tel. 55 (61) 3323.8848  
Fax 55 (61) 3426.7306

by [newgrowing.com](http://newgrowing.com)