

**De:** Velloza & Girotto  
**Para:** Velloza & Girotto  
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VELLOZA & GIROTTTO  
ADVOGADOS ASSOCIADOS

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## IOF/FX

### Increase of the minimum average term of foreign loans

On March 12, 2012, Decree No. 7,698, of March 12, 2012 (“**Decree No. 7,698/2012**”) was published on the Brazilian Federal Official Gazette, changing article 15-A of Decree No. 6,306, of December 14, 2007, which regulates the Tax on Credit, Foreign Exchange (“**FX**”), Insurance or Bonds’ and Securities’ Transactions (“**IOF**”) – the “**IOF Regulation**”.

With regard to the inflow of funds into Brazil carried out by means of FX transactions – including simultaneous FX transactions – settled as of March 12, 2012, in connection with foreign loans subject to registration with the Central Bank of Brazil, hired either directly or by means of the issuance of securities within the international market, subject to an IOF/FX tax rate of 6%, Decree No. 7,698/2012 has increased the minimum average term for such foreign loans from up to three years (1.080 days) to up to 1.800 (one thousand eight hundred) days.

#### Entry into force

The changes brought by Decree No. 7,698/2012 have entered into force on the date of its publication (i.e., March 12, 2012).

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