

# The Office

Founded in 1993, Velloza Advogados Associados is a Brazilian law firm that blends modernity and tradition. Since inception, it has stated and lived up to its commitment to meet the aspirations of the most demanding national and international groups.

Acknowledged for its refined sense of business and for the excellence of the legal services it makes available for the transaction of business in a sound and effective manner, Velloza Advogados has consolidated itself as one of the prime law firms in Brazil, providing assistance to companies that operate in several sectors of the economy. Our diverse client base includes financial institutions, vehicle manufacturers, chemical, pharmaceutical and oil industries, foodstuff retailers and wholesalers, insurance carriers, credit card operators, hotels, construction companies and corporations focused on infrastructure and technology.

In addition to the corporate sector, we also provide legal assistance to executives, entrepreneurs and high net worth individuals in the handling of their personal affairs.

Our professionals embody solid qualifications obtained from top universities in the country and abroad, and many of them have taken specialization and/or post-graduation courses in different branches of the law and given practical application to this academic knowledge by working in-house at banks and corporations.

As a result, aside from boasting a comprehensive practice in the areas in which it performs, Velloza Advogados is highly suited to readily understand the objective its clients wish to achieve and to contribute in all stages of transaction planning, development and execution with effective legal risk scenario assessments and solutions for transaction modeling, risk mitigation and documenting.

In this context of full coverage, the firm is active in the representation of clients in filing and defending claims and pursuing their rights and remedies at all court and administrative levels. We also undertake client representation before public bodies and agencies, including, among others, the Brazilian tax authorities, the Central Bank and the Securities Exchange Commission (CVM).

Among the various areas of law in which we specialize are: Banking and Financial Market Regulation, Competition and Antitrust, Strategic Consulting and Litigation, Civil Litigation and Arbitration, Contracts, Structuring and Strategic Negotiations, Digital Law, Privacy and Data Protection, Internet Law and E-Commerce, Corporate Criminal Law, Labor Law, Work Accidents and Social Security – Preventive/Consultative and Litigation, Mergers and Acquisitions (M&A), Real Estate, Infrastructure and Project Finance, Foreign Investments in Brazil and Brazilians Abroad, Capital Markets & Compliance, Succession Planning/Wealth Planning, Intellectual Property – Copyright and Industrial Property Rights, Insurance, Corporate Law, Startups, and Fintechs, Tax Law: Tax Consulting – Direct Taxes, Taxation of the Financial Market and Capital and International Taxation; Tax Consulting – Indirect Taxes and Customs Rights; Administrative Tax Litigation and Judicial Tax Litigation.

With head office in São Paulo, the main commercial and financial center of the country, Velloza Advogados also has branches in Rio de Janeiro and Brasília. Regional correspondents elsewhere ensure client coverage nationwide.

Reinforcing the credibility drawn by our name, Velloza Advogados is rated among the leading law firms in Brazil by the main world rankings, such as Chambers and Partners, Corporate INTL Magazine Legal Award, Latin Lawyer, Análise Advocacia and others.

### Banking Legislation and Financial Market Regulation

Expertise in the financial services industry is deeply ingrained in Velloza Advogados. The firm has been advising financial institutions and other financial market participants in the structuring of complex transactions in Brazil and abroad for more than 20 years

Our team is highly recognized for its legal risk assessment and mitigation capability in assisting financial market clients in arriving at the most appropriate solutions for product development and enhancement, including preparing all standard form and transaction-specific documentation.

Our banking and finance practice activities include:

- Structuring of wholesale and retail products;
- Review and structuring of agreements and guarantees;
- Product development and regulatory compliance;
- Evaluation, rendering of legal opinions and implementation of optimal business models;
- Analysis and structuring of security, guarantee and credit enhancement strategies for domestic transactions and transactions with international ramifications;
- Advisory services on operations in Brazil and abroad; Advice on fintech setup and operations;

- Comprehensive advisory on financial markets and foreign investment regulatory issues;
- Active participation in financial institution organization and reorganization projects, including filings for all regulatory approvals;
- Cross-border transaction review;
- Assistance on means of payment, credit card, debit card and e-currency;
- Structuring of prepaid and postpaid cards;
- Structuring of digital currency arrangements;
- Application for registrations and authorization and approval filings with Central Bank of Brazil;
- Representation in administrative proceedings before the Central Bank and Conselho de Recursos do Sistema Financeiro Nacional – "CRSFN" (Appeal Council of the Brazilian Financial System);
- Advice to financial institutions in client debt restructuring, judicial reorganization and bankruptcy;
- Finance Lease.



## Competiton and Antitrust

Velloza Advogados has an area that focuses on competition law. The broad background and experience of our lawyers in the field qualify us to review market-specific competition legal aspects and provide clients with precision guidance on setting the terms for their transactions to ensure antitrust compliance.

The firm also offers comprehensive support in M&A transactions and corporate and commercial arrangements, partnerships and combinations which require careful consideration of antitrust factors.

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### Strategic Contentious and Non-contentious Consulting

The increasing conflict, the complex procedural system, excessively bureaucratic administrative, regulatory, and judicial structures, constantly expanding with jurisdictional conflicts, the multidisciplinarity of major controversies, and various elements contributing to Brazil's so-called "Brazil cost" require broad knowledge, extensive professional experience, and strategic vision for the correct resolution of issues.

Our firm is strengthened by one of the most experienced legal professionals in Brazil – with over 40 years of professional activity in advocacy, public prosecution, and the judiciary – leading teams prepared to handle preventive care and litigation demands in both contentious and advisory areas across various branches of law, focusing on anticipating, mitigating, or overcoming institutional, personal, economic, or reputational risks.

## Civil Litigation and Arbitration

The civil litigation and arbitration area of Velloza Advogados acts at all levels of the judiciary and arbitral tribunals in a wide array of matters, including civil and contractual liability, real estate law, credit recovery, judicial recovery, bankruptcy, intellectual property, business law, consumer law and capital markets.

Through one-on-one interaction, the specialized services of our practice team ensure the highest standards of representation in cases of extreme complexity and with recognized success in the pursuit of client interests.

Also comprised in this practice area are advisory services to (i) family companies and their members in matters of family law and succession, whether in the context of a lawsuit or in the prevention or settlement of litigation, making recommendations, in each case, for the most appropriate approach available to safeguard the client's interests; and (ii) individuals in divorce and dissolution of stable union, alteration of property regime, execution of wills, and related matters.

The reach of the firm's operation is nationwide through branches in Brasilia and Rio de Janeiro, in addition to selected correspondent firms in different locations.



## M Agribusiness Law

With extensive agricultural lands, Brazil is one of the largest food producers in the world. Brazil's agribusiness, known for its efficiency and high yield, has become one of the industries that contributes the most to Brazil's GDP.

In addition to agricultural commodities and Livestock, agribusiness also involves an extensive network of related businesses that include private financing through financial markets and logistics to distribute and export production.

Our firm has a team of attorneys with extensive experience in this industry, in particular in consulting, advising and representing major financial institutions, investment funds, trading companies, and national and multinational companies that invest and operate in the Brazilian agribusiness.

Velloza's service offering encompasses the following assignments:

- Recovery of Agribusiness Credits;
- Agribusiness-related Court and Arbitration Proceedings;
- Agribusiness-related Judicial Recovery and Bankruptcy;
- Structuring of Agribusiness transactions, including drafting and reviewing Rural Credit Notes (CPR); Agribusiness Credit Right Certificates (CDCA); Agreements for the Purchase and Sale of Agricultural Inputs and Commodities, Agricultural and Rural Security Interest Agreements and Fiduciary Lien Agreements.

### Contracts, Strategic Structures and Negotiations

Covering a vast area of themes and business settings, Velloza Advogados has extensive experience in drafting contracts (national and international) for, as well as giving legal opinions on, high complexity transactions, assisting clients in pinpointing, documenting, managing and mitigating the risks to which they give rise.

In addition, our team is recognized for drafting contracts for new business models, as well as for adapting foreign contracts to Brazilian law, combining accumulated experience and knowledge across different law practice areas and in different industry segments that bear upon client transactions. Our team also acts in the preparation of studies related to civil liability, rights and obligations.

Our expertise includes, among others, the preparation of the following contracts:

- Service Agreements;
- Sale and Purchase Agreements (real estate; machinery; equipment; transportation);
- Manufacturing/Industrialization Agreements;
- Supply Agreements;
- Assignment Agreements;
- Lease Agreements;
- Incentive Agreements;
- Partnership Agreements;
- Distribution Agreements;
- Exchanging Goods Agreements;

- Exchanging Goods Agreements;
- Software Development Agreements;
- Software License Agreements;
- License Agreement;
- Franchise Agreements;
- Escrow Agreements;
- Fiduciary Assignment of Receivables Agreements;
- Sponsorship Agreements;
- Valuables Transportation Agreements;
- Deposit Agreements;
- Sharing and Apportionment of Costs Agreements;
- Gift Agreements;
- Refund Agreements;
- Loan Agreements; Building Agreements;
- Free-Lease Agreements;
- Consulting/Advisory Agreements;
- Management Agreements.



## Digital Law, Privacy and Data Protection

The acceleration and convergence of exponential technologies have impacted businesses and society. In this scenario, Velloza Advogados' Digital Law, Privacy and Data Protection practice area has advised national and international clients on compliance with privacy and personal data protection regulations, as well as other demands inherent to the digital world. Laws, regulations and personal data protection expectations are increasing, and organizations must be prepared to effectively and proactively respond to these challenges, which are becoming greater every day.

Within the scope of Digital Law, Privacy and Data Protection practice areas, the following legal services are included:

- Advisory on the implementation of Privacy Governance Programs;
- Diagnosis of the organization's Privacy and Data Protection maturity level in light of LGPD/GDPR and other Privacy and Personal Data Protection regulations;
- Legal structuring of Privacy Governance;
- Preparation and revision of Privacy Policies, Cookies, Terms of Use, Notices, among others;
- Advisory for compliance in data sharing and international transfer between companies of the same group and/or third parties; Preparation and/or revision of Contracts involving the sharing of personal data;
- Support in developing mechanisms for handling requests from personal data subjects;
- Advisory on the implementation of Privacy by Design and Privacy by Default;
- Advisory in the preparation of Data Protection Impact Reports (DPIA);
- Support in the preparation of plans for security incidents and data leaks;
- Acting as DPO as a Service;
- Due diligence on Privacy and Personal Data Protection for third-party risk assessment and in mergers and acquisitions operations;

Representation of clients before the National Data Protection Authority (ANPD), Public Prosecutor's Office and Consumer Defense Organizations, in addition to consulting on specific Privacy and Personal Data Protection matters.

- Trainings on Privacy, Data Protection and Information Security, Compliance and Integrity (online and/or in-person); and
- Advisory in Internet Law and E-Commerce.



## Corporate Criminal Law

he firm provides services in both advisory and litigation fields in corporate criminal law.

It conducts internal investigations within companies, prepares assessment reports, and leads negotiations with public authorities in consensual processes.

In litigation, it defends the interests of legal entities and individuals – whether investigated, accused, or victims – before Parliamentary Inquiry Committees, regulatory agencies, professional representation organizations, police authorities, Public Prosecutors, and in all instances and Courts, with a focus on interpreting the following laws:

- Crimes against the National Financial System;
- Money Laundering Crimes;
- Crimes against Economic and Tax Order;
- Corruption;
- Crimes against Public Administration;
- Crimes committed on the Internet;
- Crimes against the Environment;
- Crimes against Consumer Relations;

- Fraud and Other Frauds;
- Cartel Offenses;
- Crimes under the Bidding Law;
- Crimes against Intellectual Property.



### Labor Law, Preventive/Advisory and Litigation related to Occupational Accidents

The firm has a broad offering in the labor, employment accident and social security areas, including active participation in the development of work routines and practices such as drafting employment agreements and service provider agreements, guidance in collective bargaining and assistance in all facets of labor relations

We also act in labor litigation and in negotiations directed toward settling claims and in the evaluation of labor liabilities.

Highly skilled and experienced professionals address labor and social security matters. Working nationwide, we engage in litigation, dispute prevention and resolution.

In summary, services in our labor and social security practice encompass:

### Labor Advisory:

- Consultations and Opinions;
- Drafting, reviewing and analyzing contracts and other documents related to employment and independent contractor relationships and commercial representation and agency arrangements;
- Assistance in designing, implementing and managing remuneration and employee incentive plans, whether individual or collective;
- Assistance in the implementation of and compliance with occupational safety and health standards;

- Assistance in the preparation of internal workplace policies and procedures;
- Opinions on executive compensation, corporate governance, compliance standards, inpatriates and expatriates, and compensation of financial institution directors (Central Bank Resolution No. 3.921/2010), as well as the modeling and implementation of profit sharing programs ("PLR"), compensation policy of financial institution administrators and codes of ethics and conduct;
- Advisory to companies on the withholding and payment of contributions to the National Institute of Social Security (INSS), whether owed by the company itself as employer or as withholding agent where labor is outsourced;
- Labor due diligence services, including in the context of M&A transactions;
- Calculations of labor Contingencies.

#### Labor Litigation:

- Defense and representation in labor claims, including workplace accidents and illnesses, infraction notices, investigatory procedures and public civil actions.
- To keep clients up-to-date on labor law developments, from time to time we prepare internal newsletters and make presentations in association conferences and seminars on the dominant labor-related themes under discussion at the time.

### Mergers and Acquisitions (M&A)

Velloza Advogados advises clients in Mergers and Acquisitions (M&A), Private Equity (PE), Venture Capital (VC), and other investment or corporate combination transactions involving companies of different sizes and economic segments.

An efficient and qualified team of lawyers works in an interdisciplinary manner to ensure optimal transaction structuring while evaluating issues critical to the success of the negotiations, including those of a tax and labor nature.

The philosophy and commitment of the firm is to provide high quality legal services during all stages of the transaction. This comprises advice on the negotiation of preliminary documents, going through the full legal due diligence process, including drafting, review and strategic negotiation of contracts, risk assessment and implementation of corporate restructurings and the filing and monitoring of all requisite applications for securing approval from all relevant authorities.

- Preliminary Contracts (MoU, letter of intent, term sheet, etc.);
- Full-scale legal due diligence;
- Purchase and sale agreements;
- Investment agreements;
- Swap agreements;
- Convertible debt instruments;
- Debentures;
- Partnership and shareholder agreements;
- Corporate governance and family governance documentation;
- Regulatory approvals;
- Post-closing follow up.



### Real Estate, Infrastructure and Project Finance

Velloza Advogados meets the needs of development companies, construction companies, investors and companies in general in various segments of the real estate industry, providing advisory and litigation services of national and international scope.

The firm is also able to assist clients in the most diverse segments of the industry, including transportation, ports, maritime, aeronautical, logistics, electric energy, oil & gas, metal and mining, telecommunications, sanitation, among others, providing advice in all contractual aspects related to the development of infrastructure projects, including assistance in public procurement and public-private partnerships (PPP).

Additionally, we offer advisory services on real estate finance, securitization of real estate receivables and real estate investment funds. Finally, thanks to the full and responsive integration between practice areas, Velloza Advogados can be relied on in the negotiation, structuring and implementation of project finance.

- Preparation and negotiation of agreements (lease, build-to-suit lease, assignment of purchase rights, purchase and sale commitments, property exchange, usufruct, leasing, purchase options, shopping center-related arrangements);
- Assistance in the preparation/review of final deeds of purchase and sale;
- Rendering of legal opinions;
- Evaluation of the risks involved in acquisition, exchange and free-lease transactions;
- Due diligence performance;
- Guarantees and secured interest arrangements;
- Regularization of regimes and registrations;
- Structuring of condominiums.

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#### Foreign Investments in Brazil and Brazilian Investments Abroad

Representing foreign and Brazilian multinationals, Velloza Advogados acts in the guidance of investment options, while considering the purposes and specifics of each alternative.

Our lawyers stand out for their extensive knowledge in national and international legislation and their ability to advise investors on foreign exchange transactions, including International Transfers of Reais (TIR) and repatriation of capital, remittance of profits and dividends, interest on net equity, royalties, rental payments, income and capital gains.

The area responsible for advising Brazilian investments abroad provides, at the same time, guidance on legal and tax treatment applicable in Brazil to companies and individuals that reside in Brazil and that are holders of foreign financial investments or equity.

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#### Insurance

Velloza Advogados acts in the drafting and review of insurance policies and arrangements, as well as in legal consulting regarding insurance and reinsurance company compliance.

Our expertise in this industry includes:

- Advice on corporate restructurings, partnerships, joint ventures, acquisitions/divestitures of holdings in insurance companies and insurance portfolios, provision of all guidance for transaction consummation in conformity with statutory and regulatory requirements;
- Assistance in the incorporation of new insurers and their registration with the Superintêndencia de Seguros Privados SUSEP (Brazilian Superintendence of Private Insurance);
- Preparation of corporate acts of insurance companies, including filings seeking SUSEP pre-authorization;
- Drafting of legal opinions on regulatory issues; Drafting of agreements and legal/regulatory analysis of insurance products;
- Representation of insurers in indemnification disputes, including lawsuits brought by or against them;
- Specialized industry-specific tax advisory and representation in administrative and court tax-related proceedings.



#### Capital Markets & Compliance

The Capital Market & Compliance team at Velloza Advogados has professionals with sound experience throughout the capital markets spectrum, drawn from their careers in-house and at traditional firms.

With strong expertise and dedication to the investment funds industry, our lawyers navigate the environment of national and international investment funds with consistency, deep technical knowledge and a high level of understanding of the business, advising investors, asset managers, investment advisers, administrators, custodians, distributors, financial advisors, research companies, securities brokers, among others.

Our team handles all legal aspects of the incorporation of regulated players, steering the regulatory process, including the making of all market disclosures and filings with the CVM, BACEN, ANBIMA, ANCORD and APIMEC, as well as assists clients in the planning, creation and implementation of solid compliance policies, aligned to both regulatory requirements and best practices in the domestic and international markets. With strong expertise in compliance of regulated institutions in the national capital markets, our team also advises clients in the review and efficiency testing of internal control policies, assisting in pursuing and evidencing compliance.

We also play an active role in the development, structuring, registration and operation, filings, offering and liquidation of investment funds of all types and strategies regulated by the CVM, whether liquid funds regulated by ICVM No. 555, structured funds such as Private Equity Funds, Real Estate Investment Funds, Receivables Investment Funds, FUNCINES, etc.

Whether in the modeling and operation of funds or in the structuring of the assets they acquire, the high degree of specialization of our Capital Markets & Compliance practice enables us to apply a deep industry-based approach in the legal review of the objectives pursued by players, providing precise and effective advice in, among other activities, launching funds, documenting and completing transactions, structuring debt instruments and in the relationship with domestic and foreign investors, issuers and regulators.

In yet another capacity, we represent clients in CVM and ANBIMA administrative sanctioning and non-sanctioning proceedings, pairing indepth technical knowledge with the insightful ability to propose approaches that remedy or mitigate risk situations faced by market participants.

### Succession Planning/Wealth Planning

Velloza Advogados Associados has a team fully dedicated to estate, tax and succession planning. Our team partakes actively in the design of the optimal custom-tailored solution available under Brazilian and foreign law for asset protection and preservation, addressing the specific personal and financial needs and concerns of each family unit.

Advice is given through a multidisciplinary approach involving:

- (i) detailed review of current family asset ownership structure; and
- (ii) restructuring recommendations that bolster maximum tax and asset protection efficiency, including assistance in implementation and reinforcement of governance policies for family business groups.
- Pre-immigration or emigration counseling. We have extensive experience working on transfers of tax residence to/from Brazil in conjunction with local and international financial and legal advisors;
- Preparation of covenants, wills, family agreements, governance policies, institution of homestead, gift agreements with protective clauses (incommunicability, creditor exemption, inalienability, reversion) with or without retention of political and/or economic usufruct;
- Establishment of family holding companies (for real estate, equity interest or net worth interests) in Brazil and abroad, accompanied by the analysis of the suitability of special classes of shares or units and specific rights and their tax impacts;

- Assistance in organizing family investment vehicles in Brazil and abroad and their tax and succession aspects in Brazil;
- Prenuptial agreements, marital agreements, regularization of stable unions, change of asset regimes, divorces, marital and non-marital terminations, extrajudicial probate proceedings and asset distributions;
- Preparation of general or transaction-specific powers of attorney, notarial deeds or deeds of declaration of incapacity, anticipated directives, appointment of guardian;
- Review and advice on the preparation of income tax returns and declaration of Brazilian assets in foreign jurisdictions (DCBE), as well as representation in administrative procedures for their regularization
- Assistance to collect State Tax on Mortis Causa Succession and/or Donation (ITCMD) on assets located in Brazil and abroad

Analysis and recommendations from a Brazilian legal and tax perspective related to investments made by individuals and family groups abroad.

Also comprised in this segment are advisory services to (i) family companies and their members in matters of family law and succession, whether in the context of a lawsuit or in the prevention or settlement of litigation, recommending, in each case, the most appropriate approach to safeguard the client's interests; and (ii) individuals in divorce and dissolution of stable union, alteration of property regime, execution of wills, and related matters.





#### Intellectual Property – Copyright and Industrial Property Rights

Intellectual Property is the area of law that aims to guarantee creators/inventors, artists or those responsible for any production of the intellect, in the industrial, scientific, technological, literary or artistic domains, the right to obtain, for a certain period, exclusive commercial exploitation and rewards for their work.

Velloza Advogados lawyers work in protecting their clients' intellectual assets – individuals and legal entities – also safeguarding Personality Rights, such as Image, Name and Voice, because, in times of intense innovation and rapid communication processes, this demand is becoming increasingly important.

We list below some examples of our work in the area:

- Prior art/viability research, protection strategies and filing of applications for registration of trademarks, software, industrial designs, patents for invention and utility models in Brazil and abroad;
- Monitoring and management of trademark, patent, industrial design, software, and other processes before the National Institute of Industrial Property (INPI) and abroad;
- Preparation of oppositions, defenses and appeals in infringements due to the improper use of trademarks, patents, trade names, copyright and situations that constitute unfair competition, in the administrative and judicial spheres;
- Negotiation, revision and preparation of Technology Transfer Contracts, Intellectual Property License/Assignment Agreements, and Legal Opinions on the payment and remittance of royalties, including when involving International Treaties;
- Incentive Laws and Cultural Funding Edicts consulting on the application of companies as possible sponsors or proposers, preparation of the necessary Contracts and Licenses for the execution of the project, both for technical and artistic suppliers, including the regulation of the use of the image of those involved. Releases and Copyright and Related Rights Licenses of the works and professionals involved in each project; and
- Digital Influencers/Artists/Athletes/Celebrities preparation and analysis of Contracts, including the assignment/licensing of Name, Voice, and Image for use on social media, ads (printed or digital), commercials, videos, films, soap operas, series (WEB or TV), plays, musicals, etc., in Brazil and abroad.

## W\ Corporate

Discussions regarding the organization, operation and structure of companies, as well as the protection of shareholders and quotaholders interests are the focus of an area of Velloza Advogados that has been in action for more than two decades and, during this time, has provided advice to clients in various segments of the economy, such as financial institutions, educational institutions, companies in the automotive, insurance and industrial sectors, among others.

Our team of lawyers is fully qualified to work in the Preparation of Instruments of Incorporation, Dissolution and Liquidation of Companies, as well as Amendments to Articles of Association and By-Laws, to assist in Shareholders' and Management Bodies' meetings, and in the approval of management accounts, adapting the relevant corporate documents to the interests of the parties and in accordance with applicable laws.

Within the scope of corporate services, we also act in the analysis and discussion of complex reorganization structures, such as Transformation, Incorporation, Mergers and Spin-offs, as well as in the formation of Joint Ventures.

We also advise companies in the analysis of aspects inherent to the liability of partners and managers, their rights and obligations, as well as in the elaboration of corporate instruments for the issuance of debt bonds and other securities in Brazil and abroad.

- Corporate Acts (Constitution; Amendment; Shareholders' and Management Bodies' Meetings; Dissolution and Liquidation; etc.);
- Corporate Reorganizations (Transformation; Merger; Spin-off; Incorporation; Capital Reduction; etc.);
- Corporate Disputes;
- Foreign Investment Registers before the Central Bank of Brazil;
- Succession Plans;
- Partnership and Shareholders' Agreements;
- Corporate Governance and Family Governance.

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O Velloza Advogados meets the needs for specific assistance on high impact entrepreneurship (startups). Our firm is specialized in serving all players involved in this market, from accelerators, incubators, angel investors, investment funds to startups, since their early stage.

Our legal assistance to all players of the national innovation ecosystem provides a comprehensive solution by applying leading legal technique in catering to investor and entrepreneur dynamics. The main matters of our practice are:

- Advisory services for legal feasibility analysis and formatting of innovative business models, especially for the performance in regulated markets (fintechs, digital insurance brokers);
- Structuring of new financial products and means of payment;
- Structuring of business models that raise capital from the public (crowdfunding, equity crowdfunding and peer-to-peer lending P2P);
- Partner agreements and preparation of the investee company;
- Tax planning for the development of startup activities or investment vehicles;
- Drafting of patent and/or utility model applications, trademark registrations and other procedures involving intellectual and industrial property;
- Drafting of employment and service agreements for the startup, including stock option and vesting instruments;
- Labor and tax compliance guidance to mitigate startup activity risk;
- Development of privacy policies, terms of use and clickwrap agreements;
- Preparation of software as service agreements (SaaS), service level agreements (SLA) and infrastructure as service agreements (IaaS);
- Preparation of non-disclosure agreements (NDAs).

## ₩\ Tax Law

Highly recognized as one of the most admired law firms in the area, Velloza Advogados has proven and capable teams dedicated exclusively to corporate taxation and individual taxation, including tax litigation (both at the administrative and judicial levels).

Our advice comprises federal, state, and municipal taxes, as well as crossborder tax planning in the context of international treaties.

We specialize in consulting services designed to achieve tax efficiency in full compliance with all applicable laws and court rulings, whether through corporate reorganization transactions such as joint ventures, acquisitions and divestitures, mergers, spin-offs and amalgamations, as well as in debt renegotiations.

And clients look to us for sophisticated cross-border tax planning. We are brought in to analyze international treaties, give legal opinions on structures that involve the inbound or outbound payment of commissions, interest, dividends, royalties and other sums and avoid or minimize double taxation. Our effective integration with foreign counsel for reconciling contrasting jurisdictional tax system treatment is one of our many recognized strengths.

We represent clients in tax-related defenses and appeals at all levels of administrative and court jurisdiction. This includes the filing of lawsuits seeking the suspension, compensation and refund of undue payment/overpaid taxes, among others.

With over two decades of experience in tax law, we also provide guidance on the eligibility to and compliance with regional and sectoral tax incentives, as well as other tax incentive programs and regimes made available under governmental industrial policies, in addition to incentives enjoyed under specific customs systems.

We are frequently called upon to review the calculation of and issue legal opinions on payments and installments of fiscal debts, including in the context of self-reporting initiatives and fiscal amnesty, monetary updates of credit balance, the survey of untimely tax credit and the amortization and rescheduling of tax liabilities.



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### Tax Consulting – Direct Taxes, Taxation of Financial and Capital Markets and International Taxation

The tax environment in Brazil is complex and laden with uncertainties and represents a challenge even for the most fit and advised businessmen, domestic and foreign alike.

Velloza Advogados has a team of lawyers with extensive experience and qualifications in the tax and financial area that offer clients a dynamic and thorough tax advisory advice. We adopt in our method of work a multidisciplinary and business vision, seeking to be effective in dealing with the uncertainties of Brazilian tax law. Proposed transactions are thoroughly addressed under the ramifications of law that bear upon them by weighing alternatives and solutions in risk scenario exercises, all in order to facilitate decision making by company management.

In all cases, we work hard to provide our clients with the best strategic solutions aiming at tax efficiency, seeking to clearly and objectively measure their risks and identify/aggregate elements that value/emphasize the substance of the operation, to avoid questionable tax practices and/or to enhance grounds in any tax assessment. Toward this end, we work in concert with the Administrative and Judicial Tax Litigation teams, closely monitoring the most recent decisions and trends of CARF and the high courts to ensure our clients receive guidance aligned with the majority position of the courts.

We work closely with the market and its practices, maintaining close contact with leading associations and federations in the business, tax and financial and capital markets, such as the IFA (International Fiscal Association), ABBI (Brazilian Association of International Banks); ANBIMA (Brazilian Association of Financial and Capital Markets Entities), in which we have an active participation, discussing improvements and innovations in the rules in Brazil and in other jurisdictions.

In our practice we address the following matters:

• Corporate direct taxes (IRPJ, CSLL and PIS/COFINS) and corporate taxation systems (Real, Presumed and Arbitrated Profit, and Cumulative and Non-Cumulative Regimes, respectively), including taxation of the following entities:

- Bank and non-bank financial institutions and other financial market participants;
- Factoring companies;
- Companies that provide services, including providers of acquisition services and other participants in means of payments and operations with credit cards;
- Technology companies, Fintechs.
- Taxes on transactions carried out by financial and insurance entities, among which: IOF/Credit, IOF/Foreign Exchange, IOF/TVM and IOF/Insurance;
- Taxes on remittances of foreign currency and foreign exchange operations, such as: IRRF, CIDE, IOF/Foreign Exchange, PIS-Import, COFINS-Import, ISS-Import;
- Taxation of transactions involving the payment of commissions, interest, dividends, royalties and other amounts to companies domiciled abroad or with permanent establishment in Brazil;
- Taxation of transactions involving the payment of commissions, interest, dividends, royalties and other amounts by companies domiciled abroad to companies domiciled in Brazil;
- Transfer Price and Sub-Capitalization Rules;
- Taxation of software transactions, copyrights, electronic games;
- Tax aspects of M&A transactions, Corporate and financial reorganization structured in Brazil and abroad;
- Taxation in the Brazilian Financial and Capital Markets by resident and non-resident investors;
- Tax regime applicable to the various types of investment funds;
- Taxation of direct investments made by foreigners in Brazil;
- Tax regulation of Brazilian investments abroad carried out by legal entities, including Brazilian CFC rules, taxation of income earned abroad, possibility of offsetting income tax paid abroad;
- International Treaties and Conventions, as well as other instruments of international tax law;
- Compliance by entities in Brazil with BEPS and related advisory obligations, such as: (i) Country-to-Country Statement (DPP); and (ii) identification of financial accounts in accordance with the Common Reporting Standard (CRS).

## Tax Consulting – Indirect Taxes and Customs Law

In this practice area we advise our clients in their tax inquiries seeking interpretive guidance from federal, state and municipal tax authorities to enhance legal certainty in their operations, as well as in connection with tax planning and preparation, clarifications on tax issues, guidance and actionable recommendations on the following taxes and contributions:

- Tax on Operations Related to the Circulation of Goods and Services of Interstate and Intermunicipal Transport and Communication Services ("ICMS");
- Tax on Services ("ISS");
- Tax on Industrialized Products ("IPI");
- Tax on Imports ("II");
- Tax on the Conveyance of Real Estate and related rights ("ITBI");
- Tax on Ownership of Motor Vehicles ("IPVA");
- Social Security Contribution ("INSS");
- Employer Pension Contribution ("CPP");
- Social Security Contribution, also called Social Security Contribution on Gross Revenue; Land and Urban Tax ("IPTU");
- Occupational Accident Insurance ("SAT") Environmental Risks of Work ("RAT");
- Inspection Fee for Establishment ("TFE");
- Programs of Social Integration and Formation of Public Servant Assets ("PIS/PASEP") and Contribution for Social Security Financing ("Cofins") non-cumulative linked to imports.

## Administrative Tax Litigation

Organized into a specialized team to advise in a strategic and technical manner before the tax authorities (Brazilian Internal Revenue Service, State Secretaries of Finance, Municipal Secretaries of Finance and respective Public Prosecutor's Offices) seeking to mitigate the risk of tax assessment notices or get them canceled or reduced regarding tax debts in general.

Our services include, among others:

- Assistance in tax inspections, through monitoring, guidance and review of responses to notifications issued by tax authorities;
- Representation before the Administrative Councils of Tax Appeals through the filing of defenses and oral submissions against tax assessment notices and the taking of all related measures and monitoring of case progress;
- Cooperation with our litigation teams in court proceedings when the tax assessment is affirmed at the administrative level. Among the assessments challenged in administrative tax proceedings, the following are especially noteworthy:
- Exemption/Immunity of non-profit associations and other entities;
- Non-assessment of social security contribution on and deductibility of Profit Sharing (PLR) paid to employees, directors or administrators;
- Non-assessment of social security contribution on "Stock Option", "Hiring Bonus" and bonuses in general;
- Declaration of Offset and Refund Request of tax credits in general;

- Non-assessment of income of financial institutions for purposes of PIS/COFINS;
- Non-cumulative PIS/COFINS credit;
- Deduction of losses on credit recovery (PCLD);
- Non-assessment of IRPJ, CSLL, PIS e COFINS taxes on Merger of Shares, Demutualization, Goodwill on Company Mergers, among other transactions deemed assessable for such taxes by the tax authorities;
- Non-assessment of ISS on financial leasing transactions and on the portion of Guaranteed Residual Value (VRG), revenues arising from the provision of guarantees, export of services, among others.

We perform the management of proceedings through a specialized software, with periodic and updated report of the procedural situation, containing all relevant case data, including the updated assessment amount and the loss forecast. We also keep all documents regarding the Proceedings in scanned version (PDF).

And, to keep our Clients updated, we send newsletters on relevant tax matters, mainly on decisions of Administrative Councils of Tax Appeals and comments on trends.

# Judicial Tax Litigation

In the Judicial Tax Litigation, we advise our clients at Federal and State levels, always committed to ensure the highest standard of technical quality of work and timely compliance with procedural deadlines.

We fully understand that promptness in meeting client requests, whether in the scope of audits or in the supply of materials and reports related to lawsuits, is paramount, and the firm has a team dedicated exclusively to doing so.

Moreover, the fact that we have all the procedural documents and other documents digitized and linked to their respective cases in a modern case management system, expedites decision making, both internally and with clients.

Among the many tax discussions that we argue in court, he following are especially noteworthy:

- We filed the "leading case" brought before the Superior Court of Justice which recognized the application of a zero rate of CPMF in leasing operations, on the ground that such companies were to be likened to financial institutions:
- We obtained the recognition from the Superior Court of Justice of the non-taxation of Withholding Income Tax (IRRF) on the remuneration of services rendered by a resident abroad, based in a country with which Brazil has signed a Treaty to Avoid Double Taxation. The case is known nationwide as the Copesul case.
- We obtained the recognition from the Federal Regional Court of the 3rd Region of the non-taxation of Withholding Income Tax (IRRF) on remittances of income to a financial institution with head office abroad in derivative transactions in the Brazilian over-the-counter market;
- Dispute on the enlargement of the calculation base of PIS and COFINS contributions, since the edition of the widely known constitutional amendments No. 01/1994, 10/1996 and 17/1997, in addition to the amendments to the federal law made through Law No. 9.718/98, later held as unconstitutional by the Federal Supreme Court;
- Still in relation to the enlargement of the calculation base of the PIS and COFINS contributions, our firm became a benchmark in the financial market and among insurance and reinsurance companies for its in-depth knowledge of the sector This translates into materially favorable results for clients (including in matters pending judgment in our higher courts), such as the case of insurance carrier Porto Seguro Cia. de Seguros Gerais, which was relieved of paying COFINS until the end of 2014 through court measures taken by us;
- Recently, following changes made to legislation on contributions to PIS and COFINS under Law No. 12.973/2014, our our firm played a trend-setting role by formulating the thesis that underpins the lack of ground for assessment of these contributions on the financial income earned by insurance and reinsurance companies. This claim has already been recognized in a decision handed down by the Federal Court of São Paulo, as has also been the right to deduction of expenses with bank correspondents and provision for bad debt (PCLD/PDD);
- Still with respect to insurance and reinsurance companies, we have argued that COFINS-Import and PIS-Import cannot be assessed on premiums remitted abroad to cover reinsurance contracts;
- Exclusion of the Tax on Services (ISS) and the tax on operations related to the movement of goods and on services of interstate and intermunicipal transport and communication services (ICMS) from the calculation base of the contributions to PIS and COFINS;
- Annulment of the increase in the rate of contributions to PIS and COFINS in its non-cumulative regime for financial revenues, instituted by Decree No. 8.426/2015;

- Discussion of the effects under tax law of the various economic plans launched by the Federal Government in the 1980s and 1990s, such as Plano Verão, Plano Bresser, Plano Real, among others;
- Discussion on the assessment of Withholding Income Tax (IRRF) on amounts paid to workers with an indemnity nature, removing their characterization as salary amounts;
- Discussion on the assessment of social security contributions due to the INSS on amounts paid to workers other than in the nature of a salary, such as: i) Transportation Voucher; (ii) Sickness Aid; iii) Accid. ent Assistance; iv) 1/3 of Vacation; v) Indemnified Prior Notice; vi) Vacation Allowance (sale of up to 10 days); vii) Day Care Center Aid; viii) Food Aid (non-monetary payment, whether or not the company is registered in the PAT); ix) Single Allowance (provided for in Collective Bargaining Agreement); x) Group Life Insurance (provided that it is extendeded to all employees), xi) Profit Sharing (PLR), among other amounts;
- Discussion on the collection of the Social Contribution on Net Income CSLL and Social Security Contributions at a higher rate by financial institutions, in violation of the Principle of Isonomy and Contributory Capacity;
- Discussion of the social contribution requirement of Article 1 of Supplementary Law No. 110/2001 (FGTS), since its validity is extinguished with fulfillment of the purpose for which the contribution was instituted, that is, complementation of monetary restatement due to inflationary purges;
- Challenge of the attempt to breach fiscal and banking secrecy of several clients without mandatory prior judicial authorization;
- The filing of judicial measures seeking to preserve the tax-compliant status of clients, in particular the obtaining of debt clearance certificate (Negative Debt Certificate and Positive Certificate with Negative Debt effects);
- Discussion of the increase in social contributions to Work Accident Insurance (SAT)/Environmental Risks of Work (RAT), without due reasoning by the supervisory authorities;
- Exclusion of distribution tariffs (TUSD) and transmission of electric energy (TUST) from the ICMS calculation base;
- Absence of grounds for assessment of ICMS tax on contracted energy demand;
- Absence of grounds for assessment of ISS tax on revenues and fees related to the contracting and execution of financial transactions;

- Absence of grounds for assessment of ISS tax on commissions for the provision of guarantees;
- Absence of grounds for assessment of ISS on the activity of card management and acquisition by the municipalities where the POS terminals are located;
- Absence of grounds for assessment of ISS tax on reimbursement of expenses of financial institutions and apportionment of results between companies of the same economic group;
- Absence of grounds for assessment of ISS on leasing operations outside the headquarters of the leasing company;
- Absence of grounds for assessment of ISS on the investment portfolio management of non-resident investors insofar as such activity may be likened to the export of services;
- Absence of grounds for assessment of the Tax on the Ownership of Motor Vehicles IPVA on vehicles subject to fiduciary alienation agreement;
- Such discussions take place both in the civil and tax enforcement action contexts, where the firm has wide experience in the matters specified above, as well as in matters such as statute of limitations, disregard of corporate veil, tax liability of partners.
- In addition, we carry out permanent monitoring of federal legislation on tax relief programs implemented by the Federal Government, such as REFIS, PAES, PAEX, PRORELIT, PRT and PERT, among others, in order to identify possible opportunities of fiscal savings for clients



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