

# HNWI tax planning strategies in Brazil

Real estate, offshore entities, financial investments: review your current strategies and anticipate the impact of the upcoming Brazil Tax Reform

- > What are your tax planning options before the Brazil Tax Reform?
- > What would the reform change (2337/2021 Bill)?
- > What would be your options after the reform?

**Fernando Retzler Martins,**  
Partner,  
SA Law, Sao Paulo

**Thiago Hohl,**  
Partner,  
CH Law - Chodraui & Hohl,  
Sao Paulo

**Understand the sea change that the Brazilian government is willing to achieve through the 2337/2021 Bill**

- The objectives: a comprehensive challenge on corporate tax planning, income tax planning and financial investments vehicles
- The political will behind the reform
- What are the most important changes for HNWI's?

## Real estate

### Current tax regime

**Real estate related strategies before the reform**

#### How will the current regime be reformed?

- Option to "step-up" the values of real estate with the gain subject to a 4% tax instead of the 15%-22.5% generally applicable

#### What could be your options after the reform?

- Who should choose to "step-up"?
- Who should not "step-up"?

## Offshore entities

**Current tax regime applicable to profits earned through offshore entities** in "tax heavens" or subject to "privileged tax regimes"

### Usual tax planning strategies

#### How will the current regime be reformed?

- Full-inclusion rule for profits earned through offshore entities in "tax heavens" or subject to "privileged tax regimes"; will foreign funds, trusts and foundations also be impacted?
- A new and broadened concept of disguised distribution of profits: what are the consequences for private clients? How to mitigate the negative impacts?

#### What could be your options after the reform?

- What are the best alternative instruments and structures?
- When and how to implement them?
- Changing the approach regarding the use of offshore entities: when to give them up? Which ones should be kept? How to replace offshore entities?

## Financial investments

**Introduction of a single fixed rate of 15% for financial investments through multiple investment funds**

- Current regime applicable to financial investments
- What is impact of the reform?
- Real estate investment funds (FII): are they in or out of the reform? Will they be taxable for individuals?

**CRI, LCI, LCA types of investments should remain exempt**

- How do CRI, LCI, LCA investments work from a tax perspective; regime and advantages
- What other investment strategies may be tax efficient?

### Open-ended funds

- Tax free amortization and redemption transactions no longer available: current regime; what would the reform change?

### Closed-ended funds

- Current regulatory and tax regime
- Changes brought by the reform:
  - the funds obtained from the sale of companies invested by closed-ended funds would become taxable regardless of their distribution to shareholders;
  - FIPs not classified as an "investment entity" would be regarded as corporate entities and taxed under the regime applicable to legal entities;
  - income and gains earned and not distributed to shareholders would be taxed;
  - taxation of unrealised gains: how the reform would work

### What are your options?

- Open-ended funds: possible actions before the reform is passed; long term ideas
- Closed-ended funds / FIPs
  - Possible actions before the reform is passed
  - Investment entity or Corporate entity: what is best? How to avoid the qualification as investment entity?
  - Distribute income and gains to shareholders or not distribute: what is best?
  - Long term ideas

# HNWI tax planning strategies in Brazil

## PRACTICAL INFORMATION

### Venue

Hotel President Wilson  
47 quai Wilson, Geneva

### Visio conference on Zoom

The Zoom link and the documentation will be sent to the participants on 30 March in the afternoon. Academy & Finance provides technical assistance before and during the conference: please contact Matheus Amorim at: [mamorim@academyfinance.ch](mailto:mamorim@academyfinance.ch)

### How to register

by phone: +41 (0) 22 849 01 11  
by fax: +41 (0) 22 849 01 10  
by e-mail: [info@academyfinance.ch](mailto:info@academyfinance.ch)  
by post: Academy & Finance SA  
PO Box 6069, CH-1211 Geneva 6  
[www.academyfinance.ch](http://www.academyfinance.ch)

### Fees

620 CHF (+ VAT 7.7%)  
Additional registrations from the same company: - 50%

### Registration and payment

Payment is made by bank transfer or by credit card. Credit card payments will be debited immediately upon receipt of card details. In any case, we will send you an invoice by email.

### Substitution & cancellation policy

Substitutions from the same company are accepted at any time. Cancellation requests must be received in writing, by fax or by post up to the following dates end of business :

- 16 March refund of 100%
- after 16 March no refund will be made for cancellation.

AF1182

## REGISTRATION FORM

I register for the conference on «HNWI tax planning strategies in Brazil» on thursday 31 March 2022.

I wish to attend online on ZOOM     I wish to attend in the conference room

### FIRST PARTICIPANT

Full name.....

Position.....

E-mail.....

### SECOND PARTICIPANT (-50%)

Full name.....

Position.....

E-mail.....

Company.....

Address.....

Postcode..... City.....

Tel ..... Fax.....

### Person to which the invoice must be sent for payment:

Name..... Email.....

Bank transfer  Mastercard  VISA  AMEX

Credit card No : \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Expiry date : \_\_\_\_ / \_\_\_\_

Cardholder.....

Address of AMEX cardholder .....

Date ..... Signature.....

The organisers reserve the right to amend the programme if, despite their best efforts, circumstances oblige them to do so.