

**The National Department of Business Registration and Integration Enacted Normative Instruction n. 59, on April 15, 2019, to Create the Online Application for the Opening of Brazilian Branches of Foreign Companies**

As per the terms of article 1,134 of the Brazilian Civil Code, a foreign company needs prior authorization from the Executive Branch to operate in as a Brazilian branch.

As of April 15<sup>th</sup>, 2019, such request shall be made electronically. Normative Instruction n. 59 (“NI 59”) of the National Department of Business Registration and Integration of the Ministry of Economy (“DREI”) amended Normative Instruction n. 7, dated as of December 5<sup>th</sup>, 2013, to simplify the procedure for: (i) opening branches in Brazil of foreign companies; (ii) amending their respective by-laws; (iii) cancelling the authorization of such branches to operate in Brazil; and (iv) nationalization of foreign companies.

Before NI 59, the procedure required the delivery of 2 copies of the documents to DREI in person or by mail. The electronic procedure reduces bureaucracy and improves the business environment in Brazil.

The new electronic process works as follows:

**1. Prior Authorization Request**

Through the appointment of a legal representative domiciled in Brazil, a foreign company requests online the prior authorization to open a branch in Brazil. The filing is made through the web portal “gov.br”. The legal representative shall create an account and upload in “pdf” format the following documents of the foreign company: (i) evidence of its incorporation in its jurisdiction; (ii) by-laws or similar document; (iii) corporate resolution authorizing the opening of the branch in Brazil and the appointment of the legal representative; (iv) power of attorney granting power to the legal representative; (v) list of shareholders, including names, profession, address and number of their shares; (vi) statement of the legal representative accepting the terms and conditions of the authorization to be granted by the executive branch; (vii) last balance sheet; (viii) receipt of payment of the costs for such request.

Please note that all foreign documents must be apostilled or consularized before the nearest Brazilian consulate (as applicable) and if the documents are in other language than Portuguese, they must be sworn translated.

**2. Review and Fulfillment of any Requirement**

After the filing of the request, DREI will review the documents. In the absence of any document or information, the legal representative shall be informed via portal and by e-mail and shall have 60 days to meet the requirements made.

### **3. Approval of the Request**

After reviewing the documents, DREI will issue its conclusions in the web service portal.

The process is then forwarded to the Minister of Economy and, if it were the case, the authorization is issued through an Ordinance published in the Federal Official Gazette.

All documents prior uploaded will be electronically authenticated and will be made available in the web service portal, together with the respective Ordinance.

Only after such prior authorization is granted, the foreign branch shall be able to register its acts with the Board of Trade.

### **4. Amendment of the By-Laws, Cancellation and Nationalization**

The same procedure shall be followed to amend the by-laws, cancel the authorization or nationalize the foreign company.

The request will be made electronically with the upload of the necessary documents. Any additional request and the decisions will be made available through the web service portal.

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