

# Progress of AGIR and future action plan

August, 2017

Japan Chamber of Commerce and Industry in Brasil



# AGIR

Action plan for **G**reater **I**nvestment **R**ealization

# Core Proposal

# LABOR POLICIES

## 1. Flexibility on Salary Escalation Rules

- Development of amicable relationship with labor union, for maintaining the competitiveness of Brazilian industry, and avoiding the declination of company performance

## 2. Measures for Sustainable Employment

- Launch the flexible system for reducing various public expenses in financial difficulties.

## 3. Reasonable Management System for Work Force

- Development of cooperative relationship with labor union, securing the flexibility on HR management system and revision of relevant regulations such as;
  - 1) Regulation for time of commuting (CLT Article 58 §2)
  - 2) Regulation for overtime control (CLT Article 59)
  - 3) Number of time for divisions of vacation (CLT Article 134)
  - 4) Number of days for the purchase of vacation (CLT Article 143)

# Core Proposal

# TAX POLICIES

## 1. Simplification of Tax System and Fairer Treatment of Taxpayers

Guarantee for the Effectiveness on Tax Refund System

## 2. Fundamental Reform of ICMS System

- Solution for Accumulated ICMS Credit
- **Extinction of Tax Substitution System**
- Revision of CONFAZ System (Measure for the correction of tax rate on the Inter-State transactions)

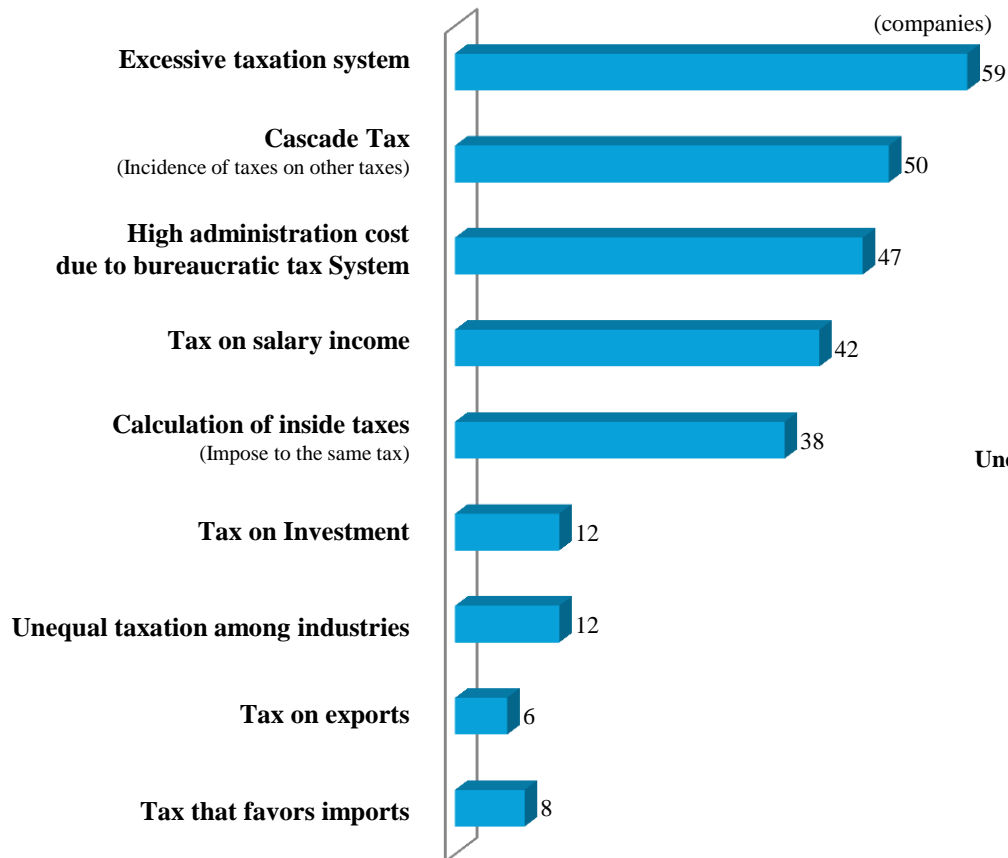
## 3. Drastic Revision of Transfer Pricing Taxation

**Establishment of New Transfer Pricing Taxation System in accordance with OECD Regulations**

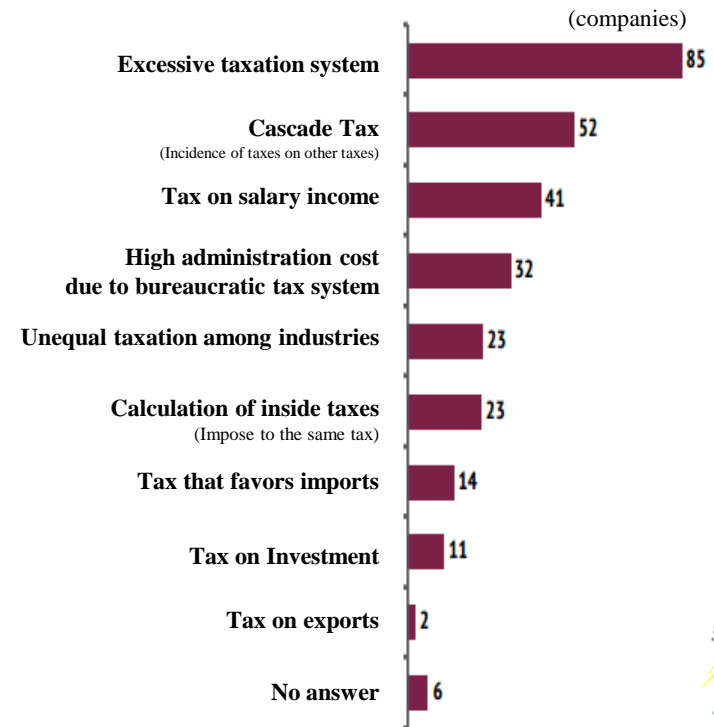
# Questionnaire Research

(Question) Please mark in alternative(s) that you may consider as character(s) of Tax Regime of Brazil. (You can choose multiple answers)

## Japan Chamber of Commerce and Industry in Brasil



## National Confederation of Industry



# Time-line

2014

2014 Jun  
Foundation of Institutional Relations Committee  
2014 Sep  
Establishment of Working Groups



2015

2015 May  
#5 Group of Wise (GoW) Meeting at Rio de Janeiro  
2015 Sep  
5 priority proposal of AGIR and Agreement for policy dialogue at meeting of ;  

- the Joint Meeting of the Japan-Brazil Economic Cooperation Committee
- the meeting of the Brazil-Japan Joint Committee on Promoting Trade, Investment, and Industrial Cooperation.

2015 Aug  
Camara Japan Infrastructure Summit (PIL2)

2015 Nov 1<sup>st</sup> Policy Dialogue with MDIC  

- 5 priority proposal of AGIR

2016

2016 Feb Joint Committee - Interim Meeting  

- Proposal on ICMS Tax Substitution System
- Cooperation for strengthening of Brazilian automotive supplier sector

2016 Feb Brazil Japan-Brazil Agriculture and Food Dialogue  

- Promotion of infrastructure development through foreign currency introduction

2016 Jan 2<sup>nd</sup> Policy Dialogue  

- SME support measures in Japan
- Challenges of automotive suppliers in Brazil

2016 Mar 3<sup>rd</sup> Policy Dialogue  

- Expectation and demand for convenient SEZ

2016 May 4<sup>th</sup> Policy Dialogue  

- Training of human resources
- Improvement of draw-back system



2016 Oct Report of 5 priority proposal of AGIR in #6 GoW Meeting and Joint Committee and Joint Meeting at Tokyo  

- Establishment of policy dialogue scheme for "Brazil Cost" reduction

2016 Aug Public hearing at Lower House  

- Appealing the importance of "Brazil Cost " reduction and the proposals of AGIR

2017

**2017 April**  
**#7 GoW Meeting at Rio de Janeiro**  
**Joint Committee – Interim Meeting**

**2017 March**  
**5<sup>th</sup> Policy Dialogue**  

- Tax and Labor Proposals of AGIR to Ministry of Finance



**2017 Jun**  
**Opinion exchange with CNI**



# Activity has already begun



Marcelo Allain, Diógenes E.C. Álvares in Programa de Parceria de Investimentos Seminar by Infrastructure Working Group (2017/03/06)



Joint Committee – Interim Meeting (2017/04/07)



Active participation in Working Group Labor Working Group (Jun, 2017)



Study sessions in about foreign exchange risk (2017/06/12)



MUITO OBRIGADO !  
ご清聴ありがとうございました。

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