



Brazilian Federal Government Economic Measures – March 30 – April 8

Coronavirus Crisis

Source: <http://www.economia.gov.br/noticias/2020/marco/confira-as-medidas-tomadas-pelo-ministerio-da-economia-em-funcao-do-covid-19-coronavirus>

April 1st

>> On Wednesday (1/4), the President of the Republic, Jair Bolsonaro, sanctioned the bill that institutes the emergency aid of R\$600 for informal workers, the unemployed, individual micro-entrepreneurs (MEIs) from low-income families and intermittent workers who are inactive at the moment and, therefore, without receiving it. Mothers who are solely responsible for supporting their families may receive up to R\$1200;

>> Provisional Measures Nos. 935 and 936 were published, which guarantee complementary salaries for workers who will have their workloads and salaries reduced for up to three months. Thus, the MPs institute the emergency benefit for the preservation of employment and income that will be based on the monthly amount of unemployment insurance that workers would be entitled to if they were fired. The measure costs more than R\$ 51 billion. The reductions established are 25%, 50% and 70% that will be negotiated based on individual and collective agreements, according to the workers' salary ranges. The value of the working hour will be preserved. The initiative reaches 24.5 million workers and even domestic workers. MP 936 also allows for the suspension of the employment contract, for a maximum of two months, with the payment of 100% of the respective unemployment insurance. However, the value of the unemployment insurance for workers will not be impacted. The resources used by the program will be funded by the National Treasury. Legal instrument: Provisional Measures 935 and 936 (in force);

>> The government also announced the exemption from the Tax for Financial Operations (IOF) for credit operations for 90 days. The tax is paid when a citizen makes a loan, buys foreign currency or hires insurance, for example. The measure is in line with the broad program of special credit lines that the government will offer the productive sector, with reduced interest. In practice, the measure will further reduce the cost of credit operations. The total impact of the exemption is R\$ 7 billion. Normative Instrument: Decree 10,305 (in force);

>> The government also announced the change in the form of contribution to PIS/Pasep, for the Contribution for the Financing of Social Security (Confins) which is levied on the revenue of the companies and the employer's social security contribution which must be paid by the companies and public entities for two months. The contributions that should be paid in April and May should be paid in August and October. The estimated impact of the measure is R\$ 80 billion that will be injected into the cash flow of companies;

>> In addition, we announced a two-month extension of the deadline for individuals to file their income tax returns from April 30 to June 30. Federal Revenue Normative Instruction 1930 (in force);

>> The IRS has also extended the list of products that will have the Tax on Manufactured Products (IPI) rates zeroed. These are materials such as laboratory or pharmacy articles, gloves and clinical thermometers. The initiative aims to reduce the tax cost of products used in the prevention and treatment of coronavirus. The measure is valid until September 30 and has a tax impact of R\$ 26.6 million. The objective is to reduce the tax cost of products used in the prevention and treatment of coronavirus (Covid-19). The measure had been announced on March 16 and was already in effect by Decree 10,285 (in effect) now expanded by Decree 10,302/2020 (in effect).

March 31st

>> The Minister of Economy, Paulo Guedes, said on Tuesday (31/3) that it would be R\$ 750 billion already destined to the health of Brazilians and the maintenance of jobs. He emphasized that these resources will continue to rise in the coming days in order to guarantee the health of Brazilians and the maintenance of jobs;

>> This Tuesday (31/3), the Provisional Measure 932 (in force) was published in the Official Gazette, making official, for three months, the 50% reduction in contributions by companies to the S System, announced on March 16;

>> The government announced that it has entered into an agreement with the pharmaceutical industry to allow the increase in medicines to be postponed for two months. Legal Instrument: Provisional Measure No. 933 (in force);

>> In addition, the Ministry of Economy and the Comptroller General's Office (CGU) have relaxed the terms of contracts that are signed with funds from transfers from the Union to states, municipalities and private non-profit entities. Normative instrument: Interministerial Ordinance No. 134/20 (in force);

March 30th

>> On Monday (3/30), the Federal Senate approved an emergency aid of R\$ 600, for three months, aimed at informal workers, the unemployed and individual micro-entrepreneurs (MEIs) that integrate low-income families. In the text, the Senate included intermittent workers who are currently inactive as beneficiaries

of the initiative. The category is made up of professionals who have employment ties, but who only receive them when they are working with companies. Normative instruments: Bill to be sanctioned by the President of the Republic, Presidential Decree and Provisional Measure of Extraordinary Credit;

>> A public notice has been opened for the donation of new and used computers and tables. The equipment will be used for servers that are performing remote activities, due to the Covid-19 pandemic. Donations may be made by both individuals and corporations;

>> Registrations for donations can be made until April 8 by e-mail seges.central.doacao@planejamento.gov.br, via electronic protocol or electronic petition. Donations can be made anywhere in the country. Normative instrument: Public Call nº2/2020 (in force);

>> On this Monday, the government also allowed, on an exceptional basis, that companies - corporations (S.A.) and limited liability companies (Ltda) - and cooperatives may hold their ordinary general meetings or shareholders' meetings up to seven months after the end of their fiscal year. The purpose of the measure is to reduce the concentration of people in these events and contribute to the efforts to combat the new coronavirus. Normative instrument: Provisional Measure 931 (in force).
