

---

# *Brazil now requires information reporting for ‘ultimate beneficial owners’*

*July 6, 2016*

---

## *In brief*

The Brazilian tax authorities (RFB) on May 5, 2016, issued Normative Instruction (NI) No. 1,634/2016. This NI overhauls the guidance with respect to information reporting in the Brazilian Corporate Taxpayers Registry (CNPJ).

Among other changes, the NI requires the disclosure of information with respect to ‘ultimate beneficial owners.’ Such owners include individuals and certain entities that, directly or indirectly, hold, control, or ‘significantly influence’ an entity, as well as individuals and certain entities on whose behalf a transaction is undertaken.

The information must be disclosed upon enrollment in the CNPJ, or upon request from the tax authorities, depending on the investor's profile — for example, a trust must disclose upon enrollment but a pension fund must disclose upon request — and whether the investor has ‘significant influence’ over the Brazilian entity.

Under the NI, ‘significant influence’ is deemed to exist when the individual or other investor, directly or indirectly, holds 20% or more of the entity’s stock or has exercised or exercises ‘preponderance’ — that is, power over decisions, or to elect the majority of the entity’s executives — despite not controlling the entity.

Entities required to disclose ultimate beneficial owners upon request from the Brazilian tax authorities include:

- foreign pension funds that are regulated and supervised in their home country
- sovereign wealth funds (SWFs) or bodies related to SWFs

The disclosure requirements take effect January 1, 2017. Investors already registered with the CNPJ must provide the ultimate beneficial owners’ information by December 31, 2018, or earlier if an event occurs that warrants an update of the existing CNPJ registration.

Some issues remain unclear due to the recent nature of this guidance.

---

## **The takeaway**

Taxpayers should review existing structures to determine whether an ultimate beneficiary disclosure will be required by December 31, 2018, or earlier.

## **Let's talk**

For a deeper discussion of how this might affect your business, please contact:

### **International Tax Services, United States**

John A. Salerno  
+1 (646) 471-2394  
[john.salerno@pwc.com](mailto:john.salerno@pwc.com)

Jose Leiman  
+1 (305) 381-7616  
[jose.leiman@pwc.com](mailto:jose.leiman@pwc.com)

Rafael Vianello  
+1 (646) 471-9809  
[rafael.x.vianello@pwc.com](mailto:rafael.x.vianello@pwc.com)

Maria Bel  
+1 (646) 471-1268  
[maria.j.bel@pwc.com](mailto:maria.j.bel@pwc.com)

Daniel Landaluce  
+1 (646) 471-7762  
[daniel.landaluce@pwc.com](mailto:daniel.landaluce@pwc.com)

Lucia Echenique Fossati  
+1 (646) 471-6294  
[lucia.echenique.fossati@pwc.com](mailto:lucia.echenique.fossati@pwc.com)

Camila Silva Jimenez  
+1 (646) 471-8794  
[camila.silva.jimenez@pwc.com](mailto:camila.silva.jimenez@pwc.com)

Estevan Leal  
+1 (646) 335-4838  
[estevan.p.leal@pwc.com](mailto:estevan.p.leal@pwc.com)

### **International Tax Services, Brazil**

Durval Portela  
+55 11 3674 2582  
[durval.portela@br.pwc.com](mailto:durval.portela@br.pwc.com)

Alvaro Pereira  
+ 55 11 3674 2954  
[alvaro.pereira@br.pwc.com](mailto:alvaro.pereira@br.pwc.com)

Fernando Giacobbo  
+ 55 11 3674 2000  
[fernando.giacobbo@br.pwc.com](mailto:fernando.giacobbo@br.pwc.com)

### **Financial Services, Brazil**

Alvaro Taiar  
+55 11 3674-3833  
[alvaro.taiar@br.pwc.com](mailto:alvaro.taiar@br.pwc.com)

Marcelo Alencar  
+55 11 3674 2545  
[marcelo.alencar@br.pwc.com](mailto:marcelo.alencar@br.pwc.com)

Ana Luiza Salles Lourenço Oliveira  
+55 11 3674 2665  
[ana.luiza@br.pwc.com](mailto:ana.luiza@br.pwc.com)

**Stay current and connected.** Our timely news insights, periodicals, thought leadership, and webcasts help you anticipate and adapt in today's evolving business environment. Subscribe or manage your subscriptions at:

[pwc.com/us/subscriptions](http://pwc.com/us/subscriptions)

© 2016 PricewaterhouseCoopers LLP, a Delaware limited liability partnership. All rights reserved. PwC refers to the United States member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.

#### SOLICITATION

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

PwC United States helps organisations and individuals create the value they're looking for. We're a member of the PwC network of firms in 157 countries with more than 195,000 people who are committed to delivering quality in assurance, tax and advisory services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com)