



NEWSLETTER

Brazil Business Outlook

Strategic Insights and Updates

Brazil's business environment continues to evolve, driven by three main pillars: (i) tax reform; (ii) the expansion of digital tax enforcement, and; (iii) developments in labour regulation.

The key issue is not the existence of these changes, but their operational impact and how they affect established business models.

Companies operating in Brazil should take this moment to reassess their operating assumptions—particularly at the intersection of contractual structures, tax compliance, and day-to-day execution.

1. Digital Tax Enforcement in Brazil: Electronic Documents and Real-Time Audits

Brazil is a global benchmark in digital tax enforcement, using real-time data to cross-check tax information. The article explains how the compliance environment has evolved and why international companies need to adapt processes and controls to mitigate risks.

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one of the world's most prestigious global networks in audit, accounting, tax advisory, and business consulting, with more than 8,500 professionals, a presence in 100 countries, and 80 years of history.

In Brazil, we are represented by seven member firms that combine diverse professional backgrounds, extensive experience, strategic industry knowledge, and strong local reputations to deliver the high-quality service clients require, together with the personalized attention and commitment they value.

Explore our network of member firms in Brazil, across Latin America, and around the world.

2. PIS/COFINS Credits on Imports: Recent CARF Decision and Practical Impacts

A recent CARF decision creates new opportunities to claim credits on import-related expenses, while maintaining relevant distinctions regarding international freight. The article analyzes the impacts and practical precautions.

3. Brazil–Uruguay Tax Treaty: Clarifications on Rural Activities and Dividends

New interpretations issued by the Brazilian tax authorities clarify relevant points on international taxation involving Uruguay, with implications for rural activities and investment structuring.

4. Tax Litigation Trends: Economic Substance and Group Structures

A recent case reinforces the authorities' stance against artificial structures. The article discusses the limits of tax planning and the analysis of economic substance.



5. Workplace Regulation in Brazil: NR-1 Updates and the Future of Compliance

Regulatory updates expand the scope of corporate responsibility in health and safety, with a direct impact on governance and compliance.

6. People Management in Brazil: Labor Risks, ESG and Transformation

People management in Brazil is undergoing significant transformation, driven by regulatory, technological and social factors.

Labor-related issues are gaining strategic relevance, particularly in the ESG context, where practices related to diversity, inclusion, health and safety have a direct impact on investor perception.

Additionally, the complex and litigation-prone regulatory environment requires heightened attention to risk management.

7. Visual Law in Brazil: Legal Communication as a Tool for Risk Management

In Brazil—where regulatory complexity and contractual detail increase the risk of misinterpretation—Visual Law has been gaining traction as a management tool. Empirical evidence suggests that visual contracts improve comprehension, reading speed and usability, while local findings indicate a strong preference for documents with visual elements and recurring difficulty with overly technical language. In practice, this reinforces the role of Visual Law in improving operational adherence, reducing rework and execution failures, and making contracts, policies and legal communications clearer for non-legal teams. In a complex environment like Brazil, clear legal communication is no longer just a competitive advantage—it has become a key element in effective risk mitigation.

In an increasingly dynamic regulatory environment, anticipating change is essential to mitigate risks and capture opportunities. Regularly reviewing business structures, processes, and compliance strategies allows companies operating in Brazil to enhance security, efficiency, and competitiveness.

The MGI Brazil and MGI CMP teams remain available to provide tailored analyses and support clients in addressing the challenges and opportunities across each of these areas.

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“In this scenario of transformation in Brazil, MGI CMP supports national and international companies with accounting and consulting solutions built on more than 40 years of experience, local market knowledge, and technological innovation, helping them manage risks and grow with confidence”



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