

## **Overview of business in Brazil: how to proceed**

In recent years, Brazil has gained renown for their business' growing innovation and sustainable development in many sectors, such as social and environment. Its national policy also took up his course of stability based on democratic terms.

Because of these factors, Brazil has increasingly won international respect and credibility to potential investors. The economic sector proved to be prepared to overcome the effects of global economic crisis that affected most of the developed countries with little effect on its national affairs

### **Companies: Versatility of Business**

According to principles of Brazilian legislation, people can start off several types of business in the country. In Brazil, the most common ones are joint stock corporations and Limited Liability Companies.

In both categories, the law requires that its participating members have limited responsibilities. The legislation also ensures the status of legal entity to these companies as if they were separated from their participants.

Brazilian law also gives permission to creating a different range of joint ventures, such as consortium and pool of investors. There are other companies that are not categorized under the legal obligation. In this particular case, the parties involved have individual rights and duties.

It is also worth mentioning that Brazil also allows the creation of the Collective Joint Venture that provides unlimited liability of its members. These companies are rare cases today since some benefits, such as tax incentives, were extended to other types of business.

### **Barriers to foreign investment**

It's important to mention that there are particular cases in which foreigner firms can not invest in Brazil. Among them the likes of nuclear power industry, aerospace industry, public health and sanitation.

For companies such as insurers and financial institutions, Brazilian law allows restrict participation. Brazilian law also prevent foreigner investors in activities that respond to governmental matters that involves national security or farming activities located in border regions.

## **Buying property in Brazil**

It is important to note that individuals and foreign entities carrying documents such as CPF (for people's registration) or CNPJ (companies' registration) are entitled to acquire property in our country, under the same conditions applied to Brazilian citizens.

Brazilian law also provides that foreigners with permanent residence in Brazil, and foreign companies authorized to operate in the country, and Brazilian companies controlled by foreigners may acquire land under certain conditions and limitations. Foreign entities without authorization to work in Brazil, as well as foreigners without permanent residence in the country can only acquire rural property under the following circumstances:

- Foreigners are free to purchase rural property as an inheritance.

- Foreigners can buy 50 rural modules at most.

All purchases of land between three and 50 modules are subject to prior approval of Brazilian's INCRA (that stands for National Institute for Land Colonization).

- Buying more than one property over three rural modules is subject to approval by the INCRA. The purchase of properties over 20 rural modules depends on the approval of a plan to exploit the land.