

Pis/Cofins - Financial Income
Tax rates reduced to Zero

Decree N° 8451 of 2015, published on May 20th, 2015, reduced to zero the rates of PIS/PASEP and COFINS levied on financial income of companies subject to the noncumulative tax system.

This Decree has amended the Decree N° 8.426 published in April, which had increased the rate of PIS/COFINS on financial income to 4.65%.

The zero rate of PIS/COFINS is related to financial income arising from:

a) Foreign exchange variation (gains) on the:

- a.1) Export transactions of goods and services abroad;
- a.2) Liabilities, including loans and financing;

b) Hedging transactions conducted on stock exchanges, commodities and futures market or OTC market, exclusively intended for the protection for inherent risks to price variations or fees if, cumulatively, the purpose of the agreement negotiated:

- b.1) is related to the operating activities of the entity;
- b.2) intended to the protection of rights or liabilities of the entity.

The provisions relating to Decree N° 8.451/2015 **shall take effects from July 1st, 2015.**

We remain at your disposal for any clarifications that may be necessary.

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