Brazil - U.S. Business Council
Towards An Enhanced Economic Partnership
2019–2020
About BUSBC

The Brazil-U.S. Business Council, of the U.S. Chamber of Commerce, is the premier business advocacy organization for Brazilian and U.S. companies with interest in the economic relationship and in conducting business in both markets. The Council represents a variety of industries, including consumer goods, defense, energy, healthcare, infrastructure, logistics, security, technology, travel and tourism. We aim to advance and promote investment through free trade, free market, and free enterprise.

Our Program

WHAT WE DO

PROMOTE
Enhance the government to government dialogue and advance Brazil-U.S. agenda.

REPRESENT
Serve the interests of major Brazilian and U.S. companies in both Capitol Hill and the Brazilian Congress.

ADVOCATE
Urge the implementation of political and economic measures that benefit U.S. and Brazilian companies engaged in trade and investment relations.

ANALYSE
Assess the implications of existing and new regulatory frameworks and policy agendas.

WHAT WE PROVIDE

• Business Intelligence on a weekly basis on current topics affecting trade and investment.
• Intelligence from a staff of hundreds of the nation’s top policy experts, lobbyists, lawyers, and communicators located at the USCC headquarters.
• Access to members-only events in the U.S. and Brazil with high level government authorities.
• Networking through the world’s largest business federation representing 3 million businesses of all sizes, sectors, and regions, as well as U.S. state, local chambers and industry associations in the U.S.
Brazil’s Reform Agenda

EASE OF DOING BUSINESS

The Brazil-U.S. Business Council urges the Government of Brazil to adopt and implement the following policy reforms to improve the business climate and drive investment for restoring economic growth:

- Pass pension reform to balance fiscal accounts.
- Continue the labor reform and regulations to generate jobs.
- Pass a tax reform simplifying the system to advance path to growth.
- Implement trade facilitation measures to increase trade.
- Attract private investment for infrastructure and logistical improvements to reduce transportation costs.
- Ensure a predictable legal environment to attract investments.
- Advocate for a whole-of-government implementation of good regulatory practices across all ministries and regulatory agencies.
- Promote rule of law principles and measures.
- Continue efforts and advocating for Brazil’s accession into the OECD.

Policy Agendas

Please visit our website for more information on the Council’s policy agendas. www.brazilcouncil.org
The Brazil-U.S. Business Council believes that the moment is now to set ambitious goals for the bilateral economic relationship and attain higher two-way trade and investment. The current political and economic realities in both countries present a unique opportunity that should not be missed. Brazil is one of the most consequential partners in the region and an attractive market for the U.S. business community. Opportunities and potential for greater bilateral cooperation exist in defense, energy, infrastructure development, agriculture, health, and innovation, just to cite a few.

The U.S.-Brazil relationship needs institutionalized frameworks for long-term growth and prosperity. The Council calls on both governments to take concrete steps towards institutionalizing a strategic partnership in the medium and long runs and offers the following recommendations:

- Initiate a scoping exercise and dialogue towards a comprehensive, rules-based trade agreement with significantly lower tariffs and reduction of non-tariff barriers. The Council presented a Joint Roadmap to a Trade Agreement to both governments and a proposed phased strategy for the dialogues (See appendix I).
- Conclude negotiations on a U.S.-Brazil bilateral tax treaty (BTT) that eliminates double taxation and offers mutual gains. Laying the groundwork, the Council put forth a Roadmap to a BTT that reflects the new U.S. tax legislation and outlines the key provisions, country positions and potential solutions (See appendix II).
- A bilateral investment treaty (BIT) that promotes economic cooperation and stimulates the flow of capital. Towards this goal, the Council published a Brazil-U.S. Bilateral Investment map, jointly with Apex and AmCham Brazil, outlining the growth and benefits of two-way investments in the past decade.

The Council continues to advocate for near-term attainable accomplishments contributing to the deepening of the bilateral relations:

- Call for the bilateral dialogues to resume with robust, strategic agendas with inputs from business community, including the Strategic Partnership, Energy Forum, Health, Commercial, and the dialogue under the Agreement on Trade and Economic Cooperation.
- Continue efforts for Brazil's accession into the OECD. Progress towards OECD standards on trade facilitation, tax simplification, good regulatory practices, technical barriers to trade, anti-corruption and IP rights.
- Visa facilitation with the inclusion of Brazil in the U.S. Global Entry program.
- A broader, all-inclusive bilateral Patent Agreement.
- Mutual recognition agreements on authorized economic operator programs (customs); and acceptance of testing results and certification procedures for telecommunications equipment (ANATEL and FCC).
- Brazilian Congress’s approval of the US-Brazil technology safeguard agreement.
- Elimination of U.S. tariffs on imported steel and aluminum.
Appendix I
U.S.-Brazil Proposed Trade Strategy

ULTIMATE GOAL: A comprehensive, rules-based trade agreement with significantly lower tariffs and reduction of non-tariff barriers.

PHASE 1
FOCUS ON RULES ON:

• Trade Facilitation: Modernizes customs procedures (e.g., advanced rulings, simplified entry, risk management, authorized economic operators, single window, single tax- and other duties and charges-collection system, e-signatures, ATA Carnet, deadlines for goods release and self-certification of origin).

• Good Regulatory Practices: Recognizes the need for GRPs, including transparency, in particular public consultations, and the elimination of unnecessary, duplicative, or burdensome regulations, and the establishment of an enforcement authority within government.

• Technical Barriers to Trade: Promotes regulatory compatibility and best regulatory practices for ICT products, pharmaceuticals, medical devices, cosmetics, chemicals, and other products, while improving rules prohibiting discriminatory technical barriers to trade and promoting private sector participation in rule making.

• Digital Trade: Rules to foster growth in the digital economy guaranteeing the freedom to move data across borders and prohibiting forced data localization.

• Intellectual Property: Guarantees nondiscriminatory protection of IP, promotes the efficiency and transparency in the administration of IP systems with assurances that IP rights are fully enforceable under domestic law, recognizes relevant geographic indications, and expands and makes permanent existing bilateral agreements on IP.

• Sanitary and Phytosanitary Standards: Introduces disciplines for science-based SPS measures while ensuring parties maintain their sovereign right to protect human, animal, and plant life or health, promotes regionalization, and secures time-bound processes for control, inspection and approval procedures.

• Anti-Corruption: Requires the parties to adopt measures to promote transparency and combat corruption, effectively enforce these measures, promote integrity among public officials, and promote the active participation of the private sector in the fight against corruption in international trade.

PHASE 2
FOCUS ON MORE COMPLEX ISSUES, INCLUDING:

• Market access, rules of origin, investment, dispute resolution, unfair trade practices, subsidies, state-owned enterprises, government procurement, etc.

• Sectors to address: Agriculture, services, textiles, manufacturing, financial services.

For more information, refer to Brazil and the U.S.: A Roadmap to a Trade Agreement.
PHASE 1
SHOULD FOCUS ON OBTAINING CONSENSUS ON TWO KEY ISSUES:

• **Transfer Pricing:** In parallel with work that is already being done by Brazil and the OECD on transfer pricing issues, U.S.-Brazil to work on examining the similarities and gaps between the two countries’ approaches to valuing cross-border transactions between associated firms for tax purposes.

• **Permanent Establishment:** U.S. and Brazil to work toward compromising on more flexible rules on permanent establishment and their standard for taxable nexus, especially as they relate to services.

PHASE 2
WOULD FOCUS ON OTHER ISSUES, INCLUDING:

• Tax sparing/matching credit; taxation of interest, dividends and royalties; limitations on benefits, mutual agreement procedures and arbitration.

For more information, refer to **A Roadmap to a U.S.-Brazil Tax Treaty**.
Member Companies