

The background of the slide features a close-up, blue-tinted photograph of a person's hand holding a white pen, poised to write on a document. In the foreground, a bar chart with seven vertical bars of varying heights is visible. Below the chart, several metallic coins are stacked. A semi-transparent circular graphic in the bottom left corner displays the text '25%'.

DEMAREST

BRAZILIAN TAX REFORM

UPDATES 2025

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WHAT IS THE TAX REFORM?

A reform of consumption taxation, with the replacement of taxes and based on the following principles:



simplicity



transparency



Tax justice



Balance and defense of the environment

PROCEDURE

**Brazilian
House of
Representatives**

**Federal
Senate**



Bill approved on
July 07, 2023, in
two rounds



Bill approved
on November
08, 2023, in two
rounds

**DECEMBER
20, 2023**



Constitutional
Amendment
No. 132/2023
enacted

**APRIL
25, 2024**



Supplementary
Bill to regulate
the IBS and CBS
- PLP 68/24 was
presented

**DECEMBER
20, 2024**



Supplementary Bill to
regulate administration
of IBS and CBS, as well as
the ITMCD of the Reform
- PLP 108/24 - presented

**CURRENT
STATUS**

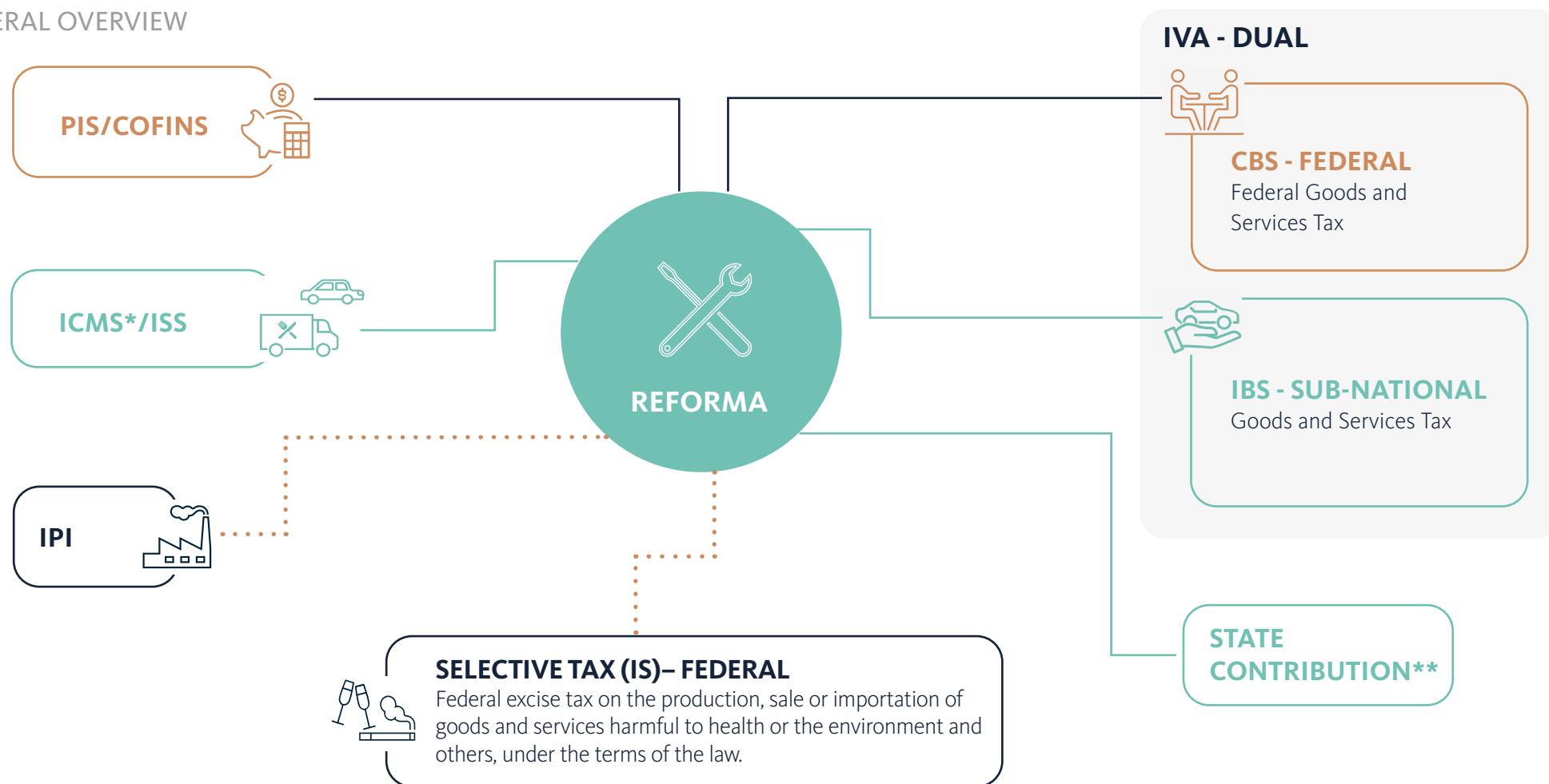


68/24 sanctioned by
the President of the
Republic, resulting in
Supplementary Law
No. 214/25.

PLP 108/24 is currently
to be voted.

MAIN AMENDMENTS

GENERAL OVERVIEW



* Extinction of additional ICMS allocated to State Funds for Combating Poverty.

** Levied on primary and semi-finished products.

TRANSITION REGIME

2026

IBS - 0.1%
CBS - 0.9%
Can be offset against PIS/
COFINS due by the taxpayer

2027

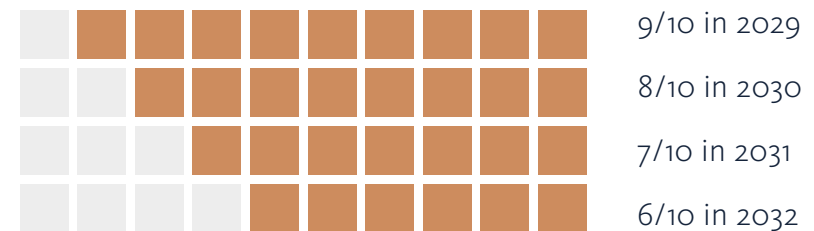
Extinction of PIS/COFINS
Reduction of the IPI rate to 0% (except ZFM) Creation of the
Selective Tax
*IBS – 0.05% state rate / 0.05% municipal rate
*CBS – full rate, 0.1% rate reduction
*Percentage applicable until 2028

2033

Extinction of ICMS, ISS and IPI and
the respective additional Funds for
Combating and Eradicating Poverty

2029 - 2032

Gradual reduction of ICMS and ISS and respective tax benefits



28% RATE ESTIMATE BY THE
EXECUTIVE BRANCH

The image features several stacks of Chinese coins, likely 1 Yuan coins, on a light blue background. The coins are silver-colored and have a circular design with a central emblem and Chinese characters. One stack is in the foreground, slightly to the right, and another is to its left. A third stack is visible in the background on the right. The coins are stacked in a way that shows the edges and the top faces. The text "IBS AND CBS" is overlaid on the left side of the image in a bold, orange font.

IBS AND CBS

IBS AND CBS

IVA DUAL

Instituted by supplementary law

Rules that tax increases are not effective until the year following publication of the law and after 90 days have passed (exception – reference rate) are observed.

THE SAME

IBS
SUBNATIONAL

Triggering events
Calculation bases

Hypothesis for levying
Specific or differentiated
regimes

Rules for being
noncumulative and
crediting

Taxpayers
Immunities

CBS
FEDERAL

TRIGGERING EVENTS

Transactions with and import of tangible or intangible goods, including rights, or services.

MAIN CHARACTERISTICS



Broad base and single rate: With few exceptions, it is levied on transactions with and the import of tangible or intangible goods, including rights, or services.

Tax calculated on base amount: IBS and CBS taxes not included in the tax basis – the end of gross-up.

Principle of place of destination: Tax levied at the place of destination – end of the tax war.

Broadly noncumulative: A right to the credit on the previous stage, with the exception of personal use and consumption, exemption and immunity under supplementary law terms.

Cashback: Hypotheses for returning the IBS and CBS taxes to individuals, including the limits and the beneficiaries, seeking to reduce income inequality.



HOW IT AFFECTS THE AGRIBUSINESS

HOW IT AFFECTS THE AGRIBUSINESS

PREVIOUS BENEFITS



ICMS

Companies in the agribusiness sector generally enjoy the benefit currently granted by ICMS Agreement No. 100/97, which allows for a significant tax burden reduction on the exit of specific agribusiness inputs.



PIS/COFINS

Regarding PIS and Cofins, the sector also enjoys important tax incentives, such as rate reductions, exclusions from the contribution calculation basis, and presumed credits, under the terms of Law No. 10,925/2004 and Law No. 11,051/2004, among other sparse regulations.



These benefits **will be extinguished under the Tax Reform**. On the other hand, Constitutional Amendment No. 132/2023 and Supplementary Law ("LC") No. 214/2025 provide for other incentives regarding the taxation of IBS and CBS.

NEW BENEFITS



Individual or legal rural producers who obtain revenues of less than BRL 3.6 million during the calendar year, and integrated rural producers, will be considered exempt from IBS and CBS.



An integrated rural producer is an individual or legal entity who, individually or as an association, with or without the cooperation of employees, is linked to the integrator, receiving goods or services for the production and supply of raw materials, intermediate goods or end-consumer goods.



Even if the rural producer is not a regular IBS and CBS taxpayer, the IBS and CBS taxpayer subject to the regular regime will be granted a presumed credit for purchases of goods and services derived from the activity of the rural producer or integrated rural producer who is not a taxpayer. The percentages will be defined and published annually by September, through a joint act by the Minister of State for Finance and the IBS Steering Committee.



The right to the record and use presumed credit also applies to the cooperatives regarding the receipt of goods and services from their members who are not IBS and CBS taxpayers, including in the case of opting for a specific regime (which reduces the rates to zero), except if the goods are submitted to the cooperative for processing and returned to the member.

HOW IT AFFECTS THE AGRIBUSINESS

NEW BENEFITS

IBS and CBS reduced to **zero**



Products intended for human consumption, such as coffee, oil, sugar, meat, cheese and others listed in Annex I.



Supply and import of tractors, machinery and agricultural implements destined for tax-exempt rural producers.

(article 110, I of the LC)

60% Reduction - IBS and CBS



Supply of agricultural and aquaculture inputs.
(Annex IX, LC No. 214/2025)



Other food products intended for human consumption, such as vegetables, cereals, fruit, goats, milk and dairy compounds. *(Annex VII of the LC)*

100% Reduction - IBS and CBS



Vegetables, fruit and eggs
(Annex XV of the LC)

The taxpayers subject to the regular IBS and CBS regime, is **deferred** for:



(i) Taxpayers subject to the regular IBS and CBS regime; and



(ii) Non-taxpaying rural producers who use such inputs in the production of goods sold to purchasers who are entitled to the appropriation of presumed credits. Both taxpayers subject to the regular IBS and CBS regime and exempt rural producers who use inputs in the production of goods sold entitled to the recording of presumed credits have the right to import their inputs with IBS and CBS deferral.



Investment Funds in Agroindustrial Productive Chains ("FIAGRO") that carry out transactions with real estate will not be IBS and CBS taxpayers, as long as they are in line with the legislation and are not subject to the taxation applicable to **legal entities**.



Taxpayers subject to the regular IBS and CBS regime may record credits for these taxes when they pay the amounts of IBS and CBS levied on **transactions in which they purchase goods or services**. Transactions subject to a reduced tax rate will not result in the partial or full reversal of credits recorded by the taxpayer on its purchases, unless expressly provided for in the legislation.



HOW IT AFFECTS THE AUTOMOTIVE SECTOR

HOW IT AFFECTS THE AUTOMOTIVE SECTOR

The automotive sector is currently subject to PIS and Cofins taxation under the cumulative or non-cumulative system. Products are subject to the single-phase system, which uses concentrated rates payable by manufacturers and importers.

In turn, the manufacture and sale of motor vehicles are generally subject to IPI tax – the rate of which varies depending on the tax classification of the product between 3.25% and 33.86%, under the terms of the Table of Tax on Industrialized Products (“TIPI”) – and ICMS, which is usually levied using the tax substitution system.

It is worth noting that the sector is granted IPI tax benefits (Law No. 9,826/1999), and ICMS agreements and protocols that grant specific benefits such as IPI tax exemption, reduction of the calculation base and deferral.



NEW BENEFITS

Until December 31, 2032, projects qualified to receive tax incentives for regional development (under the terms of Article 11-C of Law No. 9,440/97), including the Superintendence for the Development of the Amazon (“Sudam”) and the Superintendence for the Development of the Northeast (“Sudene”) (governed by Law No. 9,826/99), will be entitled to a presumed CBS credit.

This presumed credit:



(i) will exclusively benefit the production of vehicles equipped powered by an electric motor that runs solely on electricity, allowing it to be combined with an internal combustion engine that uses biofuels alone or simultaneously with petroleum-derived fuels;



(ii) will be exclusively granted to projects approved until December 31, 2024, by legal entities that, on December 20, 2023, were qualified to enjoy the benefits established by Article 11-C of Law No. 9,440, of 1997, and Articles 1 to 4 of Law No. 9,826, of 1999; and new projects, approved until December 31, 2025, that expand or restart production in industrial plants used in active or inactive projects qualified to enjoy these benefits.

HOW IT AFFECTS THE AUTOMOTIVE SECTOR

CRÉDITO PRESUMIDO

The benefit also applies to projects involving the production of vehicles powered by internal combustion engines that use biofuels, alone or with petroleum derivatives, provided that:



the automaker initiates the production of these vehicles by January 01, 2028 at the benefited establishment.



the automaker assumes commitments relating to a minimum volume of investment, production, compliance with the basic production process, and maintenance of production for a minimum period.



at least 10% of the value of the presumed credit calculated is invested in research, development, and technological innovation in the region, including automotive engineering.



the automaker provides proof of tax compliance regarding federal taxes.

This presumed CBS credit cannot be used cumulatively with any other federal CBS tax benefits intended for the beneficiary of this presumed credit.

CALCULATION OF PRESUMED CBS CREDIT

The presumed credit will be calculated by applying the following percentages to the value of sales on the domestic market:



11.60% up to the 12th month of enjoying the benefit;



10% from the 13th to the 48th month of enjoying the benefit;



8.70% from the 49th to the 60th month of enjoying the benefit.



When calculating the presumed credit, taxes and contributions levied on sales transactions, as well as unconditional discounts, will be excluded.

The following are also not included in the calculation:



sales that are exempt, immune, not subject to the contribution, subject to a zero rate, a reduction in the rate or calculation base, or suspension of the contribution; and



sales that are canceled and returned.

The presumed credit will correspond to the result of multiplying the following factors:



the value of sales on the domestic market, in each month, for vehicles manufactured or assembled in benefited establishments;



the efficiency factor, which will be the result of calculating “1” minus the IPI rate, for each position in the TIPI;



IPI tax rates in force on December 31, 2025, according to the TIPI, including supplementary notes, for products classified under under Mercosur Common Nomenclature (“NCM”) positions 8702 to 8704;

HOW IT AFFECTS THE AUTOMOTIVE SECTOR

the multiplier factor, which will be:



USE OF PRESUMED CBS CREDIT

Credits calculated as a result of the benefits may be used for:



offsetting CBS debts; and



offsetting debts relating to taxes administered by the Brazilian Federal Revenue Office (RFB), subject to the conditions and limits in force on the tax return date.

Credits cannot be transferred to another legal entity, or reimbursed.



HOW IT AFFECTS THE DIGITAL PLATFORMS



HOW IT AFFECTS THE DIGITAL PLATFORMS

DEFINITION



A digital platform operates as an intermediary between suppliers and purchasers in transactions and imports carried out in a non-personalized manner or by electronic means, and governs one or more of the following elements that are essential to the transaction:



Payment;



Collection;



Definition of terms and conditions; or



Delivery.



A digital platform is not considered as such if it performs only one of the following activities:



Provision of internet access;



Payment services rendered by institutions authorized to operate by the Central Bank of Brazil ("BC");



Advertising; or



Searching or comparing suppliers, provided that it does not charge for the services based on the sales made.



HOW IT AFFECTS THE DIGITAL PLATFORMS

RESPONSIBILITIES

Even if domiciled abroad, the digital platform **is responsible for settling the IBS and CBS levied on transactions and imports carried out through it** under the following circumstances:



Jointly with the purchaser or recipient and in substitution for the supplier; if the latter resides or is domiciled abroad; and



Jointly with the supplier, in the event that the latter:



Resides or is domiciled in Brazil;



Is a taxpayer, even if not enrolled with the IBS and CBS registers; and



Does not record the transaction in an electronic tax document.



The platform will be jointly liable for the supplier's IBS and CBS debts relating to the transaction, in compliance with the tax regulations applicable to it, if the supplier resides or is domiciled in Brazil and is registered as an IBS and CBS taxpayer, under the regular or favored regime; and, in other cases, the IBS and CBS debts will be calculated according to the regulations governing the regular regime, including the rates as well as special and specific regimes applicable to the goods and services.



The digital platform will not be responsible for tax transactions in which it does not control any of the essential elements.

HOW IT AFFECTS THE DIGITAL PLATFORMS

DUTIES



The digital platform will provide the IBS Steering Committee and the RFB – **under the corresponding regulation** – with information on **transactions and imports of goods or services carried out through it**, including the supplier's identification details (whether or not a taxpayer).



In the event that **the payment process for the transaction or import is initiated by the digital platform, the latter must submit the necessary information for allocating and collecting the IBS and CBS amounts owed by the supplier in the financial settlement of the transaction (split payment)**, if available, including with regard to the simplified procedure.



The digital platform that complies with the above duties **will not be held liable** for the payment of any potential differences between the amounts of IBS and CBS collected as well as those due in the transaction by the provider, whether residing or domiciled in Brazil.



Likewise, in the event that the supplier resides or is domiciled in Brazil and **the transaction payment process is not initiated by the digital platform** – provided that it complies with the above obligations –, **the latter will not be held liable for any taxes** and the supplier will issue an electronic tax document covering the amount of the transaction carried out through the platform, as well as in the event that the transaction payment process is initiated by the digital platform and the split payment is not carried out.



HOW IT AFFECTS THE DIGITAL PLATFORMS

OTHER PROVISIONS



Upon the consent of the supplier residing or domiciled in Brazil, and in compliance with the criteria established in the **regulation**, the digital platform can choose to:



Issue electronic tax documents on behalf of the supplier, including on a consolidated basis; and



Settle the IBS and CBS based on the amount and any other information regarding the transaction carried out through the platform – the supplier of which will remain liable for any tax differences.



The digital platform, including the one domiciled abroad, must enroll with the IBS and CBS under the regular regime.

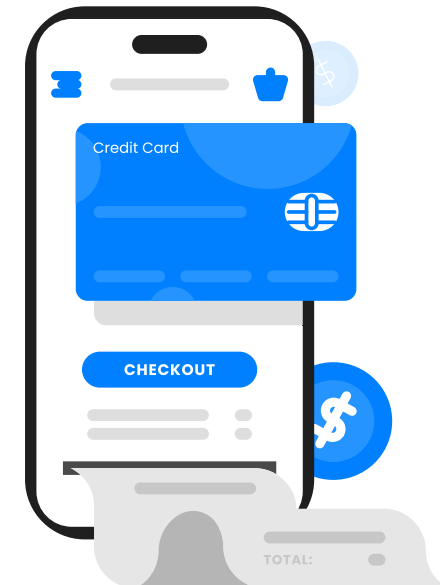
If the supplier or digital platform residing or domiciled abroad is not enrolled with the IBS and CBS, the taxes will be allocated and collected at the reference rates upon remittance to the supplier or platform by the institution carrying out the exchange transaction, in compliance with the criteria established by the regulation in force. Any discrepancy in the IBS and CBS due under the corresponding transaction or import must be offset:



By the purchaser or importer, if the rates applied are higher than the reference rates; or



Returned to the purchaser or importer, if the rates applied are lower than the reference rates.



HOW IT AFFECTS THE FOREIGN TRADE



HOW IT AFFECTS THE FOREIGN TRADE

MAIN PROVISIONS OF SUPPLEMENTARY LAW 214/2025 REGARDING FOREIGN TRADE

IBS and CBS on imports

- The IBS and CBS will be levied on imports of tangible and intangible goods, rights and services carried out by individuals and legal entities, as well as unincorporated entities.

Intangible goods and services

- If services or intangible goods, including rights, are consumed simultaneously in Brazil and abroad, only the portion consumed in Brazil will be considered an import.
- For IBS and CBS purposes, the following will be considered consumption of intangible goods and services: use, exploitation, enjoyment or access.
- The calculation basis for importing intangible goods and services will be the transaction value.
- The purchaser will be jointly and severally liable for the payment of IBS and CBS on purchases of intangible goods, including rights, and services from a supplier resident or domiciled abroad.
- Digital platforms, even if based abroad, may be responsible for paying the taxes.
- Regular IBS and CBS taxpayers may record credit for the amounts paid on imports.

Tangible goods

- The taxable event for the import of tangible goods is the entry of foreign goods into Brazilian territory.
- Luggage belonging to travelers and crew members will be exempt from paying IBS and CBS.
- The following international remittances will be exempt from IBS and CBS:
 - those in which the sender and recipient are individuals;
 - are exempt from import tax; and
 - are not carried out through the intermediation of any digital platform.
- The basis for calculating the IBS and CBS on the import of material goods will be the customs value plus the import tax, the excise duty, the Siscomex usage fee, the Additional Freight for Renewal of the Merchant Navy ("AFRMM"), the Contribution for Intervention in the Economic Domain ("CIDE") on fuel transactions, anti-dumping duties, countervailing duties, safeguard measures, and any other taxes, fees, contributions, or duties levied on the imported goods until they are released.
- The IBS and CBS due on the import of tangible goods must be paid until the goods are delivered for consumption, even if this occurs before the customs authority releases the goods.
- The taxable party may choose to pay the IBS and CBS in advance when the import declaration is registered.

HOW IT AFFECTS THE FOREIGN TRADE

EXPORTS



The export of goods and services will be immune from IBS and CBS, and the use of credits relating to transactions in which the exporter is the purchaser of the goods or services is guaranteed.



The export of services or intangible goods, including rights, is considered to be the supply to a resident or domiciled abroad and consumption abroad.

The following services provided to residents or domiciled abroad are also considered exports:



goods that enter Brazil for the provision of the service and return abroad after its completion, subject to the deadline established by regulation; or



property located abroad.

Exports of tangible goods



The payment of taxes may be suspended on the supply of tangible goods for the specific purpose of export to commercial exporting companies, provided that they meet the following cumulative requirements:



being certified under the Authorized Economic Operator (AEO) Program;



having a net worth of more than BRL 1 million and once the total amount of taxes suspended;



doing their bookkeeping; and



opting to take part in the Electronic Tax Domicile (DTE) system;



being in good fiscal standing.



The exporting company will be responsible for paying the IBS and CBS, initially suspended on the supply of goods to the exporting company, when:



180 days have elapsed since the tax invoice was issued by the supplier and the export has not been completed;



the goods undergo an industrialization process; or



destruction, loss, theft or robbery occurs before the goods are actually exported.




the goods are destined for the domestic market;



HOW IT AFFECTS THE FOREIGN TRADE


SPECIAL CUSTOMS REGIMES


Supplementary Law 214/2025 provides for the possibility of suspending taxes under specific regimes, such as:


 **Temporary stay:** authorizes the entry of goods with total or partial suspension of taxes depending on the length of temporary stay.

 **Processing:** allows the circulation of goods under suspension of taxes until they reach their final destination.

 **Warehousing:** regime that allows the storage of goods with suspension of taxes until their final destination.


 **Repetro:** benefit for oil and gas exploration and production transactions, with specific tax exemptions for imported equipment.


 **Reporto:** suspension of IBS and CBS payments on imports and acquisitions in the domestic market of machinery, equipment, spare parts and other goods, made directly by Reporto beneficiaries and destined for their fixed assets to be used exclusively in the execution of services established in the legislation.

 **Reidi:** suspension of IBS and CBS on the import and purchase of equipment by benefited companies to be used or incorporated into infrastructure works intended for fixed assets. After incorporation, the suspension becomes a zero rate.


 **Renaval:** suspension of IBS and CBS aimed at encouraging naval activity in Brazil, which is converted into a zero rate once the legal requirements have been met.

EXPORT PROCESSING ZONES (EPZS)

 EPZs will be given special tax treatment, including the suspension of IBS and CBS for transactions carried out.

 Imports or acquisitions on the domestic market by companies authorized to operate in EPZs will be carried out with suspension of payment of IBS and CBS.

 The goods must be used in the production process of the benefited companies.

 IBS and CBS rates on transportation services for inputs associated with the production process to the EPZs, as well as goods exported from these EPZs, will be reduced to zero.





HOW IT AFFECTS THE DIGITAL ECONOMY

HOW IT AFFECTS THE DIGITAL ECONOMY

IBS and CBS



In theory, uncertainties regarding the application of ICMS or ISS taxes in the sector will be resolved, since IBS and CBS will be levied on any transactions involving tangible or intangible goods, including services.

IBS and CBS will be levied at the place of destination or place of consumption, under the terms of the supplementary law, which could hinder identification of the place of destination in transactions involving the digital economy.

Credits



Transactions that were not previously taxed by ICMS or ISS (such as leasing and rental) will be subject to IBS and CBS, potentially providing credit to legal entity contractors or purchasers.

Operations not previously taxed



Transactions that were not previously taxed by ICMS or ISS (such as leasing and rental) will be subject to IBS and CBS, potentially providing credit to legal entity contractors or purchasers.

Means of payment



It is possible that technology platforms (such as marketplaces), means of payment and other agents could be held liable, given that tax liability can fall on any individual involved in the implementation, execution or payment of the transaction, including non-residents.



HOW IT AFFETS THE DIGITAL ECONOMY

Tax Credits



Digital economy companies tend to have fewer tax credits, given that a significant part of their costs and expenses are linked to the workforce. This may lead to an increase in the current tax burden and, consequently, in tax rates and the tendency for independent-contractor-only hiring policies (“Pejotização”)

Goods and services



Supplementary Law 214/2025 provides for a 60% reduction in IBS and CBS rates for goods and services relating to national security and sovereignty, information security and cyber security.

PROVISIONS IN SUPPLEMENTARY LAW 214/2025 REGARDING THE DIGITAL ECONOMY SECTOR

Digital platforms are defined as those that:



Act as intermediaries between suppliers and purchasers in transactions carried out from a distance or by electronic means; and



control one or more of the following elements essential to the transaction:

Collection

Payment

Delivery

Definition of terms and conditions



Digital platforms will not be considered to be those that only provide internet access; payment processing; advertising or search; or supplier comparison, as long as they do not charge for the service based on sales.



Even if domiciled abroad, the digital platform is responsible for paying the IBS and CBS on transactions and imports carried out through it.



HOW IT AFFECTS THE ENERGY SECTOR

HOW IT AFFECTS THE ENERGY SECTOR

THE ENERGY SECTOR FROM THE PERSPECTIVE OF COMPLEMENTARY BILL NO. 214/25



There will be no selective tax on electricity transactions.



In transactions related to energy, and those related to basic sanitation, telecommunications, internet services and piped gas, the IBS and CBS taxable event is considered to have occurred when payment becomes due in continuous or fractional transactions in which it is not possible to identify the time of delivery or provision of the good or the end of the service provision.



The place of the transaction is considered to be the main establishment of the purchaser in cases of generation, transmission, distribution or commercialization of electricity. In multilateral acquisitions of electricity, the establishment or domicile of the agent with a debit energy balance is considered to be the place of the transaction.



In the case of electric energy transmission service, the supply is considered to have occurred when the payment for the transmission service becomes due.



In transactions involving electric energy or rights related to it, the collection of IBS and CBS related to generation, commercialization, distribution and transmission will be carried out exclusively. If the sale occurs to a purchaser served in the regulated contracting environment, it will be carried out by the electric energy distributor. If the purchase is made in the free contracting environment of energy for consumption by the purchaser or when the purchaser is not subject to the regular IBS and CBS regime, the person responsible for paying the IBS and CBS will be the seller. Or, if there is provision of transmission services to the consumer connected to the basic network, the collection will fall to the energy transmission company. Finally, if the energy is intended for consumption in the acquisition of electric energy carried out multilaterally, the person responsible will be the purchaser.



The electrical energy supplied by the distributor to the consumer unit, in the amount corresponding to the energy injected into the distribution network by the same consumer unit, – plus the electrical energy credits originating in the consumer unit itself in the same month, in previous months or in another consumer unit of the same holder – will be excluded from the calculation basis.

A low-angle, upward-looking shot of several modern high-rise buildings. The buildings feature glass and concrete facades with many windows. A diagonal gradient overlay transitions from a deep blue on the left to a bright orange on the right, passing behind the text. The sky is a pale, hazy blue.

HOW IT AFFECTS THE REAL ESTATE SECTOR

HOW IT AFFECTS THE REAL ESTATE SECTOR

SPECIFIC REGIMES | REAL ESTATE

Scope



Sale of real estate, including real estate development and land subdivision.



Real estate leasing, assignment for consideration, and rental.



Civil Construction services.

Assignment, transfer or constitution of ownership through the execution of an instrument.



Property management and brokerage services.

Non-taxable events



The establishment or transfer of in rem guarantee rights.



Real estate exchange transactions, except on the cash boot.



When planned transactions are carried out by asset fund management organizations to invest in the asset fund.

Individuals are Taxpayers in:



Rental, assignment for consideration and leasing of real estate, provided that the total revenue from these transactions exceeds BRL 240,000 in the previous year and that they involve more than three different pieces of real estate. If the lease's value exceeds BRL 48,000 per month, the individual will also be considered a taxpayer in the same year.



Sale or transfer of real estate rights, provided that more than three different properties were sold in the previous year or in the same year.



Sale or transfer of rights, in the previous year or the same year, of more than one property built by the seller in the five years prior to the date of sale.



COMO AFETA O SETOR IMOBILIÁRIO

Prazos

Ficam estabelecidos os seguintes prazos de inscrição de todos os bens imóveis no **CIB**:



12 meses: para que a administração federal adeque os sistemas; para que os serviços notariais e registrais adequem os sistemas; e as capitais incluam o código CIB em seus sistemas.



24 meses: para que a administração estadual adeque os sistemas; e os municípios incluam o código CIB em seus sistemas.



Será emitida certidão negativa de débitos para os bens imóveis urbanos e rurais, nos termos do regulamento.



A RFB e o Comitê Gestor do IBS poderão estabelecer obrigações acessórias no interesse da fiscalização e da administração tributária, para terceiros, inclusive tabeliães, registradores de imóveis e juntas comerciais.



A apuração do IBS e da CBS será feita para cada empreendimento de construção civil, vinculada a um CNPJ ou CPF específico, considerando cada obra de construção civil como um centro de custo distinto. Nesse caso, o documento fiscal deverá indicar o número do cadastro da obra nas aquisições de bens e serviços utilizados na obra de construção civil a que se destinam.



HOW IT AFFECTS THE REAL ESTATE SECTOR

Taxable persons

IBS/CBS taxpayers are:



the property seller, in the sale of property or rights relating to it;



the person who creates or transfers rights in rem over property, through the execution of an instrument or deed or right in rem over real estate, except those of collateral;



the renter, assignee or lessor, in the case of renting, assignment for consideration or leasing of property;



the purchaser, in the case of adjudication, redemption and public auction of property;



the construction service provider;



the provider of real estate management and brokerage services.

In secret partnerships, the ostensible partner must pay the IBS and CBS levied on real estate transactions, and amounts owed to participating partners cannot be excluded.

Taxable Event

The taxable event for IBS and CBS occurs in the following cases:



Sale of real estate: upon the sale or the execution, including any subsequent adjustments, of the sale agreement, even if through a promissory instrument, reservation letter backed by advance payment or any other document representing a commitment, or when the suspensive condition to which the sale is subject has been implemented;



Transfer through the execution of an instrument or deed or right in rem over real estate: upon the execution of the transfer, including any subsequent adjustments, except those of collateral;



Real estate leasing, assignment for consideration, and rental: at the time of payment;



Real estate management and brokerage services: at the time of payment;








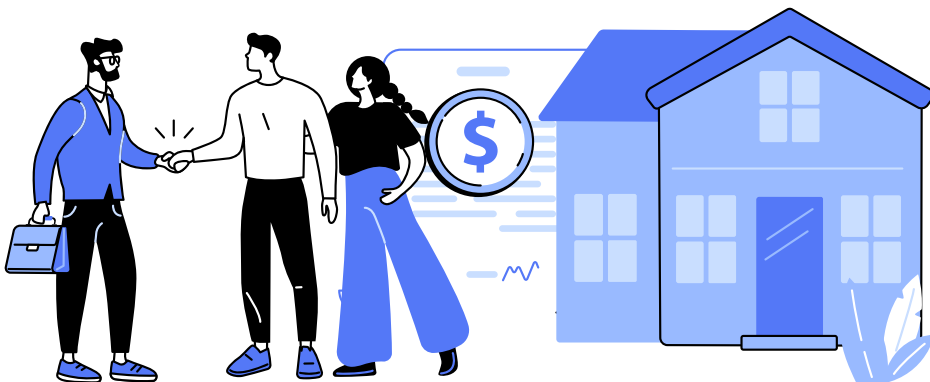
Construction services: at the time of supply.

HOW IT AFFECTS THE REAL ESTATE SECTOR

Calculation Basis








The calculation basis is the transaction amount, considering:

-  the transaction amount involving the sale of the property;
-  the amount of the lease, assignment for consideration or rental of the property;
-  the amount of the transfer through the execution of an instrument or deed or right in rem over real estate;
-  the amount of management or brokerage transactions; and
-  the amount of the transaction for construction services.



Inclusions in the calculation basis

The transaction amount includes:





-  the amount of interest and monetary variations on the exchange rate or index or coefficient applicable by legal or contractual provision;
-  monetary adjustment, in sales contracted with a clause for monetary adjustment of the credit balance of the price which become part of the amounts actually received from the sale of real estate; and
-  the amounts charged by the supplier as
 -  (i) adjustments to the transaction amount
 -  (ii) interest, fines, additions and charges
 -  (iii) discounts granted under certain conditions; and
 -  (iv) other sums, such as insurance or fees.

Taxes and charges levied on the property and condominium expenses will not be included in the amount of the rental or lease.

HOW IT AFFECTS THE REAL ESTATE SECTOR

Reference amount








The reference amount in the event of the sale of real estate will be established by using a specific methodology to estimate the market value of real estate under the terms of the regulations, which will include:

-  the analysis of prices practiced in the real estate market;
-  information provided by registry and notary services; and
-  information provided by the tax authorities of municipalities, the Federal District, states and the Federal Government;
-  the location, type, destination and date, standard and construction area, among other characteristics of the property.

Tax reduction

When a property is sold by a taxpayer subject to the regular IBS and CBS regime, the amount corresponding to the tax reduction may be deducted from the tax basis, up to the limit of its value.

The tax reduction corresponds to:

-  in the case of real estate owned by the taxpayer on December 31, 2026:
 -  the purchasing value of the property updated by the IPCA, or by another index that replaces it, up to the date mentioned above; or
 -  at the taxpayer's option, the reference amount mentioned above.
-  in the case of real estate under construction on December 31, 2026, the adjustment value will be the sum of:
 -  the value corresponding to the goods and services that can be accounted for as a cost of production of the real estate or as a direct expense relating to the production or sale of the real estate acquired prior to January 01, 2027; and
 -  the land acquisition value.
-  in the case of real estate acquired on or after January 01, 2027, the acquisition value of the property.

HOW IT AFFECTS THE REAL ESTATE SECTOR

Social tax reduction



When selling new residential real estate or a residential lot, a social tax reduction in the amount of BRL 100,000 per new residential real estate and BRL 30,000 per residential lot may be deducted from the tax base, up to the limit of the tax base amount, after the adjustment reduction has been deducted in the case of real estate owned by the taxpayer on December 31, 2026.

The following are considered:



residential property: the built unit in which it is located and occupied by a person as a place of residence;



residential plot: the real estate unit resulting from the subdivision of urban land; and



new property: property that has not been occupied or used.

In the lease, assignment for consideration or rental of property for residential use, a social tax reduction of BRL 600 per property can be deducted from the IBS and CBS calculation basis, up to the limit of the calculation basis.

Rates



50% reduction on IBS and CBS rates for transactions involving real estate.



70% reduction on IBS and CBS relating to the lease, assignment consideration and rental of real estate.








HOW IT AFFECTS THE REAL ESTATE SECTOR

Real estate development and land subdivision

In the case of real estate development and land subdivision, the IBS and CBS levied on the sale of real estate units will be due on each payment.

The following are considered real estate units:

-  (i) land, with or without construction, acquired for sale;
-  (iv) each separate unit resulting from real estate development; and
-  (ii) each plot resulting from the dismemberment of land;
-  (v) the building constructed to be sold as an isolated or autonomous unit.
-  (iii) each plot of land resulting from a subdivision;

The seller may offset the appropriate IBS and CBS credits paid on the purchase of goods and services used against the IBS and CBS amounts due for each calculation period.

When selling real estate, the tax reduction and, where applicable, the social reduction must be deducted from the calculation basis for each installment in proportion to the total property value.

Real estate management and brokerage services



When the legal transaction is concluded with the management/brokerage of more than one broker, the basis for calculating IBS and CBS will correspond to the part of the remuneration agreed with each broker.



Each broker is subject to IBS and CBS proportionally.

Registration



Urban and rural real estate must be registered with the Brazilian Real Estate Registry ("CIB"), which is part of the Brazilian National Land Information Management System ("Sinter").



The CIB is the inventory of urban and rural real estate made up of data submitted by the registries of origin, which must meet the criteria for assigning the CIB registration code.



The CIB must be included in all documents relating to construction work issued by the municipality.

HOW IT AFFECTS THE REAL ESTATE SECTOR

Deadlines

The deadlines for registering all real estate with the CIB are as follows:



12 months: for the federal government to adjust its systems, for notary and registry adjust their systems and for capital cities to include the CIB code in their systems.



24 months: for estate governments to adapt the systems and for municipalities to include the CIB code in their systems.



A debt clearance certificate will be issued for urban and rural real estate, under the terms of the regulation.



The Federal Revenue Office (“RFB”) and the IBS Management Committee may establish ancillary obligations for third parties, including notaries, real estate registrars and commercial registries, for the benefit of tax inspection and administration.



IBS and CBS will be calculated for each construction project, linked to a specific Corporate Taxpayer ID (“CNPJ”) or Individual Taxpayers’ Register (“CPF”), considering each project as a separate cost center. In this case, the tax document must indicate the construction project’s registration number when purchasing goods and services used in the work for which they are intended.



A top-down view of a person's hands typing on a laptop keyboard. The person is wearing a blue long-sleeved shirt. To the left of the hands is a black calculator with a teal '+' button. Below the calculator is a black pen and two coins. The background is a light blue surface.

HOW IT AFFECTS FINANCIAL SERVICES

HOW IT AFFECTS FINANCIAL SERVICES

WHAT ARE THE FINANCIAL SERVICES PROVIDED FOR IN THE LAW?



The specific regime is applicable to all amounts received by financial services regardless of their nomenclature.



Credit operations;



Foreign exchange operations;



Securities operation;



Factoring;



Leasing;



Consortium administration;



Management and administration of resources, including investment funds;



Payment arrangements;



Activities of market managing entities;



Insurance and reinsurance;



Private pension;



Capitalization operations;



Intermediation of insurance, reinsurance, supplementary pension and capitalization;



Virtual asset services.



When financial services are provided by individuals and legal entities supervised by the government agencies that make up the **National Financial System (SFN)** and other suppliers (supervised or not).

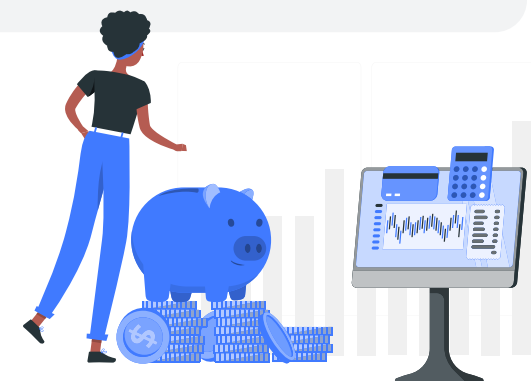
IBS and CBS calculation basis



Revenues from services



If it has not been deducted from the calculation basis, the following will not be part of the revenue: reversals of provisions; and recoveries of credits written off as a loss



HOW IT AFFECTS FINANCIAL SERVICES

IBS and CBS rates



The IBS and CBS rates will be fixed to maintain the proportion with the reference rates;



Reference rates will be defined by Federal Senate in the future;



Rates will be uniform throughout the national territory.



TRANSITION PERIOD (2027 – 2033)



The rate will consider the tax burden currently levied on credit operations of banking institutions;



The tax burden period of calculation is January 01, 2022, to December 31, 2023;



The rate will consider the current amount of PIS/Cofins (levied on fees, commissions and other revenues), and IPI, ISS and ICMS amounts not recovered as credits.

CREDIT, FOREIGN EXCHANGE, SECURITIES, SECURITIZATION AND FACTURING OPERATIONS

Revenues from services, with deduction of:



financial expenses with fundraising;



exchange expenses;



Losses on transactions with securities;



financial charges recognized as expenses;*



losses in the receipt of credits;



expenses with investment advisors, securities advisors and correspondents.**



The Receivables Investment Fund (“FIDC”) that settles receivables in advance by discount of trade bills, promissory notes, checks and other securities, when not classified as an investment entity, will be subject to IBS and CBS levy.

* Shareholders of these funds are not subject to IBS and CBS levy.

* Does not apply to equity instruments (shares, certificates of deposit and warrants;

** If, for any reason, there is a reversal of the amount, the deducted amounts will be added to the calculation basis.

HOW IT AFFECTS FINANCIAL SERVICES

The calculation basis also includes:



Income and expenses with derivative financial instruments contracted by the operations' entities;

Currency changes from the exchange rate;

Revenues and expenses recognized in return for fair value valuation, more than the income produced in transactions with securities;



LEASING

Determination of **tax basis**:



Revenues from financial services will be subject, when received, on a cash basis;



In the case of real estate, at the rate applicable to the lease of the property;



In the case of sale of an asset subject to a commercial leasing, at the rate applicable to the sale of the asset;



In relation to the installments of the financial leasing, at the rate applicable to financial services;

Deductions allowed



For the lessee, the amount proportional to the share of revenues obtained in operations that do not generate IBS and CBS credits;



If the legal entity calculates revenues from financial services, the financial expenses of funding will be deducted from the calculation basis in proportion to the revenues;



The contractor who is a taxpayer subject to the regular regime can enjoy credits based on the residual value of the asset, in accordance with the effective payment, subject to the cash basis, at the same rate due on these services.

HOW IT AFFECTS FINANCIAL SERVICES

CONSORTIUM ADMINISTRATION

IBS and CBS calculation basis:



The revenues from the services comprise all tariffs, commissions and fees, as well as the respective charges, fines and interest arising from the consortium group participation agreement, effectively paid;



The acquisition of goods and services with a consortium letter of credit is subject to the rules provided for in the general rules IBS and CBS levy, except in the case of immovable property, which is subject to the respective specific regime, and other goods or services subject to a differentiated regime.

Rates



The IBS and CBS rates on consortium operations will be the general ones applied to financial services, except in the case of real estate, which is subject to the specific regime, and other goods or services subject to a differentiated or specific regime.



Taxpayers in the regular regime who acquire consortium services may appropriate IBS and CBS credits based on the amounts paid by the supplier for these services.



MANAGEMENT AND ADMINISTRATION OF RESOURCES, INCLUDING INVESTMENT FUNDS

The IBS and CBS rates on services provided to investment funds that are not financial services will follow the general rules for IBS and CBS levy;

The management, administration and other services provided to the **investees** and **NOT** to investment funds will be subject to IBS and CBS, on the value of the operation, with a rate applicable to financial services, with credit to the acquirer being prohibited.

HOW IT AFFECTS FINANCIAL SERVICES

IBS and CBS

The investment fund and its shareholders cannot enjoy IBS and CBS credits owed by the suppliers of any goods or services to the fund, except if the fund is a taxpayer.

If the investment fund is a taxpayer under the regular regime, the fund:

- ✗ will not be able to appropriate credits in the acquisition of management and administration services of the fund;
- ✶ can appropriate credits in other acquisitions of goods and services.

GUARANTEE FUND FOR LENGTH OF SERVICE – “FGTS” AND OTHER FUNDS THAT GUARANTEE AND EXECUTE PUBLIC POLICIES



Operations related to the FGTS and other guarantee funds of public policies provided for by law are subject to IBS and CBS levy, at a nationally uniform rate, to be fixed to maintain the tax burden levied on these operations.



The operations of the FGTS operating agent have a **zero rate** of IBS and CBS.

ACTIVITIES OF MARKET MANAGING ENTITIES, MARKET INFRASTRUCTURES AND CENTRAL DEPOSITORIES



Are subject to IBS and CBS levy, on the value of the service supply transaction, at the rate under financial services.







The regular taxpayer of the IBS and CBS who acquires services from entities that manage organized markets, market infrastructures and central depositories may appropriate credits from these taxes at the same rate due on them.



HOW IT AFFECTS FINANCIAL SERVICES

PAYMENT ARRANGEMENTS

Financial services related to payment arrangements comprise all those related to the accreditation, capture, processing and settlement of payment transactions and other goods and services provided to the creditee, to another recipient of the arrangement and between participants in the arrangement, including:

-  arrangement remunerated by the accredited through a discount rate on payment transactions;
-  leasing of electronic terminals and the supply of software that enable the operation;
-  goods and services provided by the payment arrangement establishments;
-  goods and services imported from the card brands by the settlors and payment arrangements participants;

IBS and CBS calculation basis



Gross amount of remuneration received directly from the accredited member, plus installments received from other participants in the payment arrangement and minus installments paid.



The calculation basis also includes income earned from the application of funds in payment accounts, in accordance with the regulations of the Central Bank of Brazil and the National Monetary Council, minus the income paid to the holders of these accounts.



The early settlement of receivables from payment arrangements will be taxed by the IBS and the CBS.



The calculation basis will correspond to the discount applied in the early settlement.

These provisions apply to the Receivables Investment Fund (FIDC) and to other investment funds that pre-settle receivables from payment arrangements, if they are classified as an investment entity.



HOW IT AFFECTS FINANCIAL SERVICES

INSURANCE, REINSURANCE, SUPPLEMENTARY PENSION AND CAPITALIZATION

INSURANCE AND REINSURANCE

IBS and CBS calculation basis:



Revenues: insurance, coinsurance, reinsurance and retrocession premiums; and financial revenues from financial assets that guarantee technical provisions in operations that do not generate IBS and CBS credits for acquirers.



Deductions:



expenses with indemnities related to insurance and people without survivor coverage, exclusively when they refer to insured individuals and legal entities (not taxpayers), corresponding to claims, after subtracting salvage and other reimbursements;



refunds of premiums that have been computed as revenue, including by cancellation;



Insurance and reinsurance intermediation services;



Premium for ceded coinsurance operations;



installments of premiums intended for the constitution of provisions or technical reserves related to redeemable insurance.



Reinsurance and retrocession transactions between taxpayers' insurance companies and reinsurers are subject to the zero rate, including when the reinsurance and retrocession premiums are ceded abroad.



The IBS and CBS taxpayer subject to the regular regime who acquires and is insured for insurance and reinsurance services may appropriate IBS and CBS credits on the premiums, for the amount of taxes paid on these services.



HOW IT AFFECTS FINANCIAL SERVICES

INSURANCE, REINSURANCE, SUPPLEMENTARY PENSION AND CAPITALIZATION

SUPPLEMENTARY PENSION

In supplementary pension plans, as well as in insurance for people with survivor coverage, the calculation basis will be:



Revenues: contributions to the supplementary pension entity, insurance premiums and fund charges arising from structuring, maintenance of pension plans and personal insurance with survivor coverage;



Deductions: contributions of provisions or technical reserves; cancellations and refunds of contributions that were computed as revenues; amounts paid for supplementary pension and life insurance intermediation services for people with survivor coverage and expenses with risk coverage indemnities.

Income earned in the application of financial resources intended for the payment of retirement, pension, savings and redemption benefits is not included in the calculation basis.

Other income from financial investments earned by the entities that provide the activities is also not included in the calculation basis.



The credit of IBS and CBS in the acquisition of supplementary pension services is prohibited.



HOW IT AFFECTS FINANCIAL SERVICES

VIRTUAL ASSET SERVICES

IBS and CBS

 Virtual asset services are subject to IBS and CBS levy on the value of the transaction and the rate will be levied on financial services.



Virtual assets are digital representations of value that can be traded or transferred by electronic means and used to make payments or for investment purposes, except for those considered securities.



The taxpayer in the regular regime who acquires virtual asset services will be able to appropriate IBS and CBS credits, based on the amounts paid by the supplier.

IMPORT OF FINANCIAL SERVICES

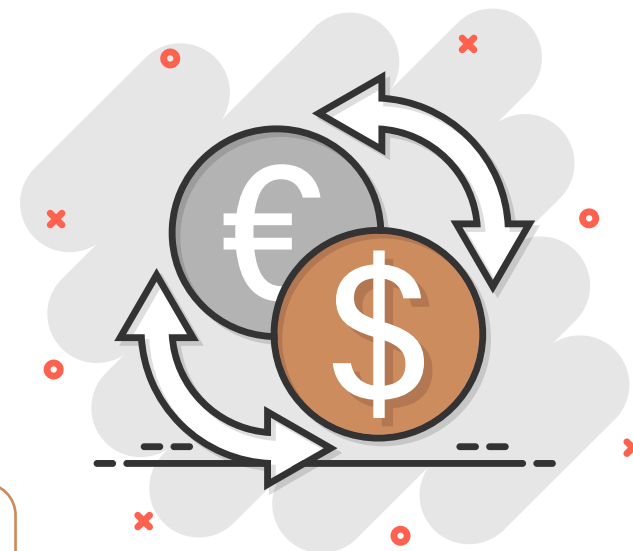
When imported, financial services are subject to IBS and CBS levy at the same rate applicable to the respective services acquired from suppliers domiciled in Brazil.



In the import of financial services, the calculation basis will be the revenue earned by the supplier, with a reduction factor of a presumed margin, within the limits established for deductions from the calculation basis of financial services provided in Brazil.



In the event that the importer of financial services is a taxpayer of the IBS and CBS subject to the regular regime and has the right to appropriate credits of these taxes in the acquisition of the same financial service in Brazil, a zero rate will be applied to the importation and no credits of the IBS and CBS will be appropriated.



HOW IT AFFECTS FINANCIAL SERVICES

EXPORT OF FINANCIAL SERVICES

The entity that provides financial services in Brazil and through exports shall, in operations (credit, foreign exchange, transactions with securities, securitization, factoring and leasing) - calculate the proportion of export revenues over total revenues from these financial services and reverse the effect of deductions.



Financial services provided to entities abroad that are subsidiaries, controlled or invested, predominantly, by residents or domiciled in Brazil that are not taxpayers of the IBS and CBS in the regular regime, individually or jointly with related parties, are not considered exports.





HOW IT AFFECTS THE LIFE SCIENCES SECTOR

HOW IT AFFECTS THE LIFE SCIENCES SECTOR

THE LIFE SCIENCES SECTOR FROM THE PERSPECTIVE OF SUPPLEMENTARY LAW 214/25

Constitutional Amendment 132/2023 established that health goods and services are subject to an exceptional and specific taxation regime.

Exceptional regime



The regulation distinguished between goods and services with a 60% and 100% reduction in tax rates, through a list annexed to the supplementary law.



60% Reduction



Health services (Annex III).



Medical devices (Annex IV).



Medicines:



only industrialized or imported by legal entities that have signed a conduct adjustment agreement or comply with requirements established by the Drug Market Regulation Chamber (“CMED”).



Accessibility devices (Annex V).



Compositions for enteral and parenteral nutrition, special compositions and nutritional formulas (Annex VI).



Without prejudice to the five-yearly assessment, the Ministry of Finance and the IBS Steering Committee will review the lists of medical devices, accessibility devices and compositions every 120 days to include items that did not exist on the date of publication of the previous review and that serve the same purposes as those already included in the annexes mentioned above.

HOW IT AFFECTS THE LIFE SCIENCES SECTOR

100% Reduction



Medical devices (Annex XII).



Accessibility devices (Annex XIII).

Basic menstrual health care products.



Supply to the Brazilian government and immune health entities of the goods listed with a 60% reduction in tax rates.



Medicinal products (Annex XIV).



Brazilian- manufactured cars purchased by:



people with physical, visual or hearing disabilities;



severe or profound mental disability; or



autistic spectrum disorder.

HEALTHCARE PLANS

Taxpayers



Health insurers



Health insurance cooperatives



Benefit administrators



Other healthcare plan operators. (residual regulation)



Healthcare cooperatives

Note 1: funeral assistance plans are included in the regime.

Note 2: entities that provide services under the self-management modality will not be taxpayers.

HOW IT AFFECTS THE LIFE SCIENCES SECTOR

Calculation basis



The calculation basis will encompass the revenue resulting from the provision of the service adjusted by the deductions expressly provided for:

Revenue includes:



premiums and consideration, including for assumed co- liability;



financial income from assets that secure technical reserves, effectively settled*.

Deductions



compensation, actually paid, corresponding to occurred events**;



amounts relating to cancellations and refunds of premiums and consideration which have been computed as income;



amounts paid for health insurance brokerage services;



administration fees paid to benefit administrators or other entities contributing to the specific system.



Rates



The rates will be uniform throughout Brazil and will correspond to the reference rates for each federal level, reduced by 60%.



Pet healthcare plans will enjoy a 30% reduction.

Brokerage



Healthcare plan brokerage services will be subject to IBS and CBS on the transaction value at the same rate applicable to the healthcare plan.

*Financial income is considered to have been effectively settled when there is, cumulatively, (i) the liquidation or redemption of the guaranteed asset; and (ii) a reduction in technical provisions backed by the guaranteed asset. Financial income that is not linked to the allocation of funds from the receipt of premiums and consideration paid by health care plan subscribers will not be considered.

** The total healthcare costs arising from the use by beneficiaries of the coverage offered by healthcare plans are considered, encompassing (i) goods and services purchased directly by the entity; and (ii) reimbursements to policyholders or beneficiaries for goods and services purchased by them - not subject to IBS and CBS and not generating credit rights.

HOW IT AFFECTS THE LIFE SCIENCES SECTOR

Credits



No credit may be given to purchasers of healthcare plans, except for plans intended for employees and arising from a collective bargaining agreement (not applicable to the portion of premiums and consideration for which the financial burden has been passed on to employees).



Suppliers under the specific regime will be allowed to record credits on their purchases.

Ancillary Obligations



As an ancillary obligation, healthcare plan operators must report information on the identity of the individuals who are the beneficiaries of the plans, as well as the amounts of the premiums and contributions for each one.



In collective plans where the amount of premiums and considerations per beneficiary is not individualized, the operator may allocate the total amount for each individual beneficiary as an ancillary obligation, according to criteria to be defined in the regulations.



In collective membership plans contracted with the participation or brokerage of a benefit administrator, the latter will be responsible for submitting the information.



Imports and Exports



If healthcare plan services are imported, IBS and CBS will be levied on the transaction value at the same rate applicable to transactions carried out in Brazil. The regulations may provide for a reduction factor to include a presumed margin, subject to the limits established in the supplementary law for deductions from the calculation basis.



Any supply to individuals resident or domiciled abroad for use abroad will be considered an export and will be immune from IBS and CBS.



HOW IT AFFECTS THE OIL AND GAS SECTOR

HOW IT AFFECTS THE OIL AND GAS SECTOR

CONSTITUTIONAL AMENDMENT 132/2023

Constitutional Amendment 132/2023 established several important guidelines relating to the taxation of fuels and lubricants:

Specific tax regime



Transactions involving fuels and lubricants will be subject to a specific tax regime, in which the IBS (Tax on Goods and Services) and the CBS (Social Contribution on Goods and Services) will be levied only once (single-phase taxation).

IBS and CBS



The IBS and CBS rates will be uniform throughout Brazil, specified by measurement unit and differentiated by product.

Credits



Credits may be recorded on fuel and lubricant purchases, except when intended for distribution, sale or resale.

Favorable Tax



A favorable tax regime must be maintained for low-carbon biofuels and hydrogen, ensuring lower taxation when compared to fossil fuels.



Exports



Exports will be immune. However, Supplementary Law 214/25 allows taxation on the export of mineral goods, which could compromise export exemption and potentially violate the immunity provided for in the Constitution. In addition, the Selective Tax (IS) on electricity is banned, but it is not clear whether fuel destined for thermoelectric plants would also be covered by this benefit.

HOW IT AFFECTS THE OIL AND GAS SECTOR

THE OIL AND GAS SECTOR FROM THE PERSPECTIVE OF SUPPLEMENTARY LAW 214/25

The IBS and CBS will be levied only once on transactions involving the following fuels, regardless of their purpose, even if initiated abroad:



gasoline;



anhydrous ethanol fuel (“EAC”);



diesel oil;



biodiesel (“B100”);



liquefied petroleum gas (“GLP”), including liquefied gas derived from natural gas (“GLGN”);



hydrated ethanol fuel (“EHC”);



aviation kerosene;



fuel oil;



processed natural gas;



biomethane;



vehicular natural gas (“GNV”); and

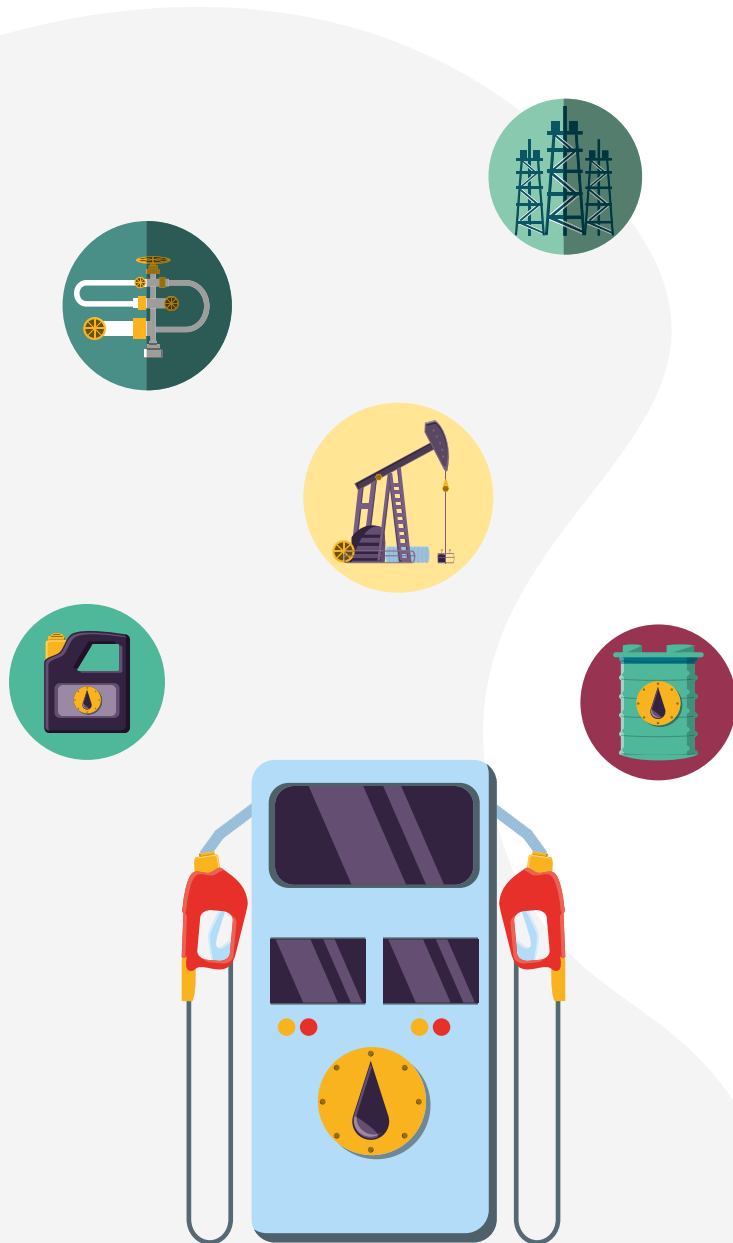


other fuels specified and authorized by the Brazilian National Agency of Petroleum, Natural Gas and Biofuels (“ANP”), and listed in the legislation.



Lubricants were not included in the specific regime. According to the explanatory memorandum, this was due to the extensive list of lubricants (more than 11,000 items registered with the ANP) and their significant price variation, making it significantly challenging to establish a single specific rate (ad rem) applicable nationwide.

HOW IT AFFECTS THE OIL AND GAS SECTOR



Calculation basis



The IBS and CBS calculation basis will be the amount of fuel involved in the transaction, and the corresponding amount of IBS and CBS levied on the transaction will result from multiplying the amount of fuel by its respective specific rate.



The quantity of fuel will be measured according to each fuel's own measurement unit.

Rates



The IBS and CBS rates for fuels covered by the single-phase regime will be:



Uniform throughout the Brazilian territory, specified per measurement unit and differentiated per product.



Readjusted annually, subject to a minimum period of 90 days between the setting and the effective date of the increase.



Publicized:



regarding the IBS, by the states, Federal District and municipalities, in a shared and integrated manner, through a deliberation by the IBS Steering Committee;



regarding the CBS, by the head of the Federal Executive Branch.

HOW IT AFFECTS THE OIL AND GAS SECTOR

Rates - IBS



Specific IBS rates will be set:



In **2029**, so as not to exceed 10% of the tax burden on fuels of state and municipal taxes extinguished or reduced by Constitutional Amendment No. 132, which are directly and indirectly levied on fuels.



In **2030**, so as not to exceed 20% of the tax burden calculated under the terms mentioned above, readjusted by a percentage equivalent to the variation in the weighted average sales price to the end consumer, obtained through a survey carried out by the appropriate authority or based on data from electronic tax documents for sales to the consumer.



In **2031**, so as not to exceed 30% of the tax burden calculated and adjusted under the terms mentioned above.



In **2032**, so as not to exceed 40% of the tax burden calculated and readjusted under the terms mentioned above.



From **2033** onwards, so as not to exceed the tax burden calculated and readjusted under the terms mentioned above.



The distribution of the IBS rate between the state and municipal rates will be proportional to the respective reference rates.

Rates - CBS



Specific CBS rates will be set:



For **2027**, so as not to exceed the maximum tax burden on fuels of federal taxes extinguished or reduced by Constitutional Amendment No. 132, which are directly and indirectly levied on fuels.










As of **2028**, so as not to exceed the tax burden established for the year 2027, readjusted by a percentage equivalent to the variation in the weighted average sales price to the end consumer, obtained through a survey carried out by the appropriate authority or based on data from electronic sales tax documents to the consumer, between the 12 months prior to July of the year prior to that for which the rate will be set and the period from July 2025 to June 2026.

HOW IT AFFECTS THE OIL AND GAS SECTOR

Taxpayers

The IBS and CBS taxpayers for fuels covered by the single-phase regime will be:

-  the Brazilian producer of biofuels*;
-  oil refineries and their bases;
-  petrochemical raw material plants (“CPQ”);
-  natural gas processing units (UPGN) and equivalent producer and industrial establishments, as defined and authorized by the appropriate authority;
-  fuel formulators;
-  importers**; and
-  any producing agent authorized by the appropriate authority (residual rule).

Joint and several liability



The following will be jointly and severally liable:



Purchasers who carry out transactions directly with taxpayers under the specific regime; not applicable if the transaction is settled via split payment and will only correspond to debts not extinguished by offsetting and payment by the taxpayer.



Other participants in the economic chain who carry out transactions subsequent to single-phase taxation, if there is proof that they contributed to the non-payment of the IBS and CBS owed by the taxpayer.



Re-refiners or collectors authorized by the ANP when purchasing used or contaminated lubricating oil from taxpayers subject to the regular regime. In this case, the electronic tax document relating to the transaction will be issued by the re-refiners or collectors, as established by regulation.

Credits



The right of the purchaser of fuels (including exporters) to record and use the IBS and CBS credit as a productive input is guaranteed, except in cases where the product is subject to distribution, sale or resale.

*The cooperative of ethanol producers authorized by the appropriate authority is equivalent to the Brazilian producer of biofuels.

**Fuel distributors are also taxpayers in their transactions as importers.

HOW IT AFFECTS THE OIL AND GAS SECTOR

Biofuels

Specific IBS and CBS rates should be defined in such a way as to ensure a competitive advantage for biofuels consumed in their pure form and for low-carbon hydrogen.

The rates applied may not be less than 40% or exceed 90% of the rate applied to the compared fossil fuel, in compliance with:



energy equivalence;



market prices;



measurement units of compared fuels;



the potential for reducing environmental impacts compared to fossil fuels.

A joint act by the IBS Steering Committee and the President of the Republic will establish the mechanisms used to ensure a competitive advantage.

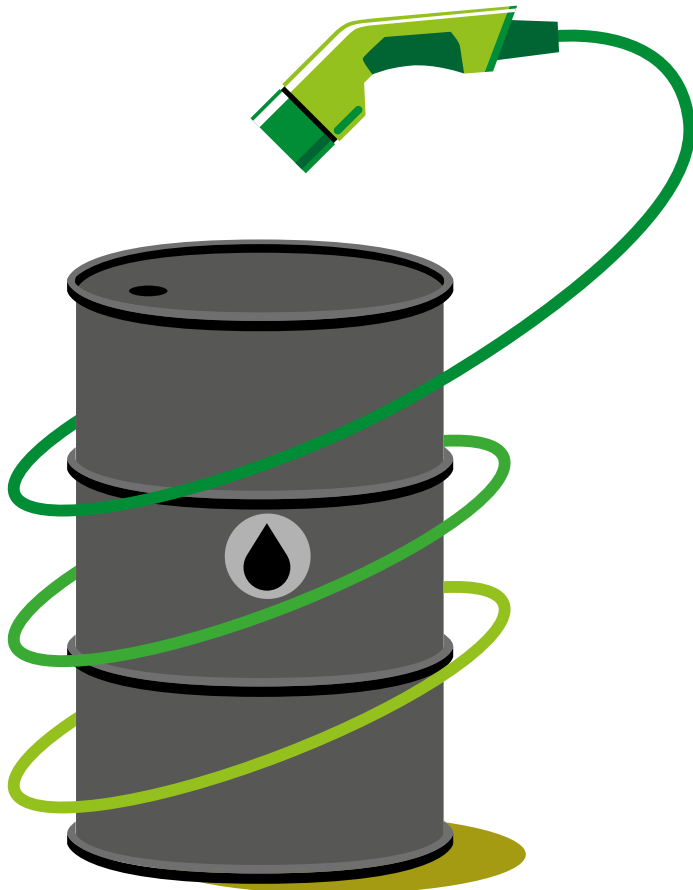
The Federal Executive Branch may reduce specific CBS rates for biodiesel (B100) produced from raw materials purchased from family farms.



HOW IT AFFECTS THE OIL AND GAS SECTOR

EAC Transactions

Supplementary Law 214/25 established a liability system similar to the Single-Phase ICMS (clause 11 of ICMS Agreement 199/22 and clause 11 of ICMS Agreement 15/23).



Thus, on imports and exits from the establishment producing Anhydrous Ethanol Fuel (“EAC”), the following will be responsible for withholding and paying IBS and CBS relating to the percentage of biofuel used in the blend with gasoline A:



oil refineries or their bases;



petrochemical raw material plants (“CPQ”);



fuel formulators; and



importers.



Purchasers of EAC intended for blending with gasoline A who output biofuels for a different purpose will be required to pay the IBS and CBS levied on the biofuel.



Distributors who blend EAC with gasoline A at a percentage other than the mandatory percentage:



will be required to pay IBS and CBS on the volume of biofuel that exceeds the mandatory blending percentage;



will be entitled to reimbursement of the IBS and CBS for the volume of biofuel blended at less than the mandatory percentage.



HOW IT AFFECTS THE TELECOMMUNICATIONS SECTOR

HOW IT AFFECTS THE TELECOMMUNICATIONS SECTOR

CONSTITUTIONAL AMENDMENT NO. 132/23

IBS and CBS



The IBS and CBS will be levied on any transactions involving tangible or intangible assets, including services, which would include transactions involving telecommunications services.



The IBS and CBS will be charged at the destination or place of consumption, according to the complementary law, which may lead to difficulty in identifying the place of destination in transactions involving the telecommunications sector.



Telecommunications services can generate IBS and CBS credits for any taxpayer.

ICMS or ISS



In theory, the creation of the IBS and CBS would resolve questions regarding the ICMS or ISS on preparatory and supplementary services, value-added services (“SVAs”), content provision, etc.



Transactions not previously taxed by the ICMS or ISS will be subject to the IBS and CBS (for example, leasing and rental), but will grant credit to contracting or acquiring legal entities.



Transactions that can currently be taxed by the ISS (SVAs, content provision) may experience an increase in the tax burden.

Measured or unmeasured services



There will be a potential end to the disputes involving the collection of taxes on measured or unmeasured services.

Rates



The amendment does not provide for different rates for telecommunications services, since they are characterized as essential services.

THE TELECOMMUNICATIONS SECTOR FROM THE PERSPECTIVE OF COMPLEMENTARY LAW NO. 214/25



The IBS and CBS taxable event is considered to have occurred when payment becomes due in continuous or fractional operations in which it is not possible to identify the time of delivery or provision of the good or the end of the provision of the telecommunications service.



Telecommunications operations will be exempt from the selective tax.

A photograph of a person's hands holding a clear plastic bottle of yellow cooking oil. The bottle is held over a brown cardboard box. Another hand is visible in the upper right, gesturing with fingers spread. In the foreground, there is a jar with a red lid and a metal can. The background is a plain, light-colored wall. The entire image has a dark blue overlay.

HOW IT AFFECTS THE THIRD SECTOR

HOW IT AFFECTS THE THIRD SECTOR



The supply of goods and services carried out by religious entities and temples of any worship, including their welfare and charitable organizations, as well as carried out by political parties, including their institutes and foundations, workers' unions and non-profit educational and social assistance institutions, are immune from IBS and CBS.



The following are considered eligible for IBS and CBS immunity:



Religious entities and temples of any worship: non-profit legal entities governed by private law whose purpose is to profess religious faith and practice religion.



Welfare and charitable organizations: non-profit legal entities governed by private law linked to and maintained by religious entities and temples of any worship, which provide social assistance goods and services without discrimination or requirements of any kind to those they assist.



IBS and CBS rates levied on the provision of research and development services by non-profit Scientific, Technological, and Innovation Institutions ("ICT") to the direct government administration, autonomous entities and public foundations or to taxpayers subject to the regular IBS and CBS regime are also reduced to zero. However, it must be noted that the rate reduction applied to non-profit ICTs requires basic or applied research of a scientific or technological nature or the development of new products, services or processes. In addition, the ICT must fulfill the conditions for enjoying the immunity established in the complementary law for transactions carried out by non-profit educational and social assistance institutions.



Non-profit entities or units of economic accounting that provide healthcare plan services under the self-management modality are not IBS or CBS taxpayers.



IBS and CBS rates levied on the supply of the medical devices listed in the Law's annexes will be reduced to zero, provided that they are acquired by health entities that are immune to IBS and CBS and that have been certified as Social Assistance Charitable Entities ("CEBAS") by proving that they provide services to the Brazilian Unified Health System ("SUS").



The CBS rate is reduced to zero, exclusively on the provision of higher education services by private educational institutions, whether for-profit or not-for-profit, during the period of adhesion and affiliation to the University for All Program ("PROUNI").



HOW IT AFFECTS THE TRANSPORTS

HOW IT AFFECTS THE TRANSPORTS

TRANSPORT SECTOR FROM THE PERSPECTIVE OF SUPPLEMENTARY LAW NO. 214/25

PUBLIC TRANSPORT



Constitutional Amendment 132/2023 established that public transport services will be subject to an exceptional and specific taxation regime.

SPECIFIC REGIME (ART. 284)

The following public passenger transport services are subject to the specific taxation regime:



intercity and interstate road;



intercity and interstate rail and waterway;



urban, semi-urban and metropolitan rail and waterway; and



regional air travel.



As a rule, purchasers of transport services are allowed to record and use credits.

The specific regime applies only to collective public passenger transport, which is understood to be under public authorization, permission or concession.

HOW IT AFFECTS THE TRANSPORTS

URBAN, SEMI-URBAN AND METROPOLITAN PUBLIC PASSENGER TRANSPORT SERVICES BY RAIL AND WATERWAY



With regard to urban, semi-urban and metropolitan public passenger transport services by rail and waterway:

- (i) IBS and CBS rates levied on the provision of these services are reduced by 100%;
- (ii) IBS and CBS credits may not be recorded on purchases by the transport service provider; and
- (iii) IBS and CBS credits may not be recorded by the purchaser of transport services.

INTERCITY AND INTERSTATE PUBLIC PASSENGER TRANSPORT SERVICES BY ROAD, RAIL AND WATERWAY



40% reduction in IBS and CBS rates (approximately 16.8%) for intercity and interstate public passenger transport services by road, rail and waterway.

IBS and CBS credits may be recorded and used when goods and services are purchased by suppliers of transport services referred to in this article, which are subject to the regular IBS and CBS regime.

COLLECTIVE REGIONAL AIR TRANSPORT SERVICES FOR PASSENGERS OR CARGO



40% reduction in IBS and CBS rates levied on the provision of regional collective passenger or cargo air transport services.



ISENÇÃO

IBS and CBS exemption on urban, semi-urban and metropolitan public passenger transport services by rail and waterway, under public authorization, permission or concession (art. 157)



HOW IT AFFECTS THE TOURISM

HOW IT AFFECTS THE TOURISM

CONSTITUTIONAL AMENDMENT NO. 132/23 AND SUPPLEMENTARY LAW NO. 214/25



Currently, theme parks and hotel services are subject to cumulative PIS/Cofins, at a combined rate of 3.65%, and are not entitled to credits for these contributions.



Services provided by these sectors will be subject to a specific IBS and CBS tax regime, and any changes to the rates and credit recording rules will be defined by Supplementary Law No. 214/2025.



Since the IBS will be introduced gradually, the economic effects of exemptions, deferrals, reductions in the calculation base, and presumed ICMS credits will also gradually decrease. For example, taxpayers will feel the impact on credits provided for the supply of food by bars and restaurants and interstate air transportation of passengers.



Tax rates will be fixed on a standard basis, that is, there will be no difference in rates between sectors of the economy. Therefore, while there may be differences in IBS between states and municipalities, the rates will be identical for all sectors in each location.

BENEFITS AND REGIMES THAT WILL BE CONTINUED



Simplified taxation system (Simples Nacional): Micro and small companies.



Purchasers of goods and services supplied by micro or small companies will be entitled to IBS and CBS credits.



100% reduction in CBS rates for services supported by the Emergency Program for the Resumption of the Events Sector (“PERSE”) until February 28, 2027.



Currently, PERSE grants a 100% reduction in PIS, Cofins, CSLL and IRPJ rates, for companies in the events sector, such as hotels, restaurants and amusement and theme parks.



PERSE will also grant a 100% reduction in PIS and Cofins rates for regular air passenger transportation companies, effective until December 31, 2026 (Law No. 14,592/23).

HOW IT AFFECTS THE TOURISM

BARS AND RESTAURANTS



Food supply transactions by bars and restaurants, including snack bars, will be subject to a specific IBS and CBS tax regime.



The regime also includes the provision of non-alcoholic drinks, such as juices, chocolate drinks, and others, prepared on the establishment.



The basis for calculating the IBS and CBS is the amount of food and beverage supply transacted, excluding tips distributed to employees (provided that the amount of these tips does not exceed 15%), as well as amounts not distributed to bars and restaurants for delivery services and intermediation of food and beverage orders via digital platforms.



The IBS and CBS rates for bar and restaurant transactions will be reduced by 40%, and purchasers of food and drinks cannot record credits.



The following are not subject to the specific regime:



(i) the supply of food for legal entities, under contract, classified under the Brazilian Services Nomenclature ("NBS") Nos. 1.0301.31.00 (events), 1.0301.32.00 (transport operators - commissary or catering) and 1.0301.39.00 (others not previously classified), or by companies classified under the National Classification of Economic Activities ("CNAE") No. 5620-1/01 - supply of food mainly prepared for companies;



(ii) the supply of supply of food products and non-alcoholic beverages purchased from third parties, not prepared in the establishment; and



(iii) the supply of alcoholic beverages, even when prepared in the establishment.

HOW IT AFFECTS THE TOURISM

HOTEL SERVICES, AMUSEMENT PARKS, AND THEME PARKS



Hotel services refer to the provision of temporary accommodation, as well as other services included in the amount charged for accommodation, (i) in units for the exclusive use of guests, by an establishment intended for this purpose; or (ii) furnished residential property, even if not for the exclusive use of guests.



Amusement parks, on the other hand, are permanent or itinerant establishments or businesses whose essential activity is providing attractions designed to entertain people, which are enjoyed in person at the location where they are provided.



A theme park is an amusement park inspired by a historical, cultural, ethnographic, recreational or environmental theme.



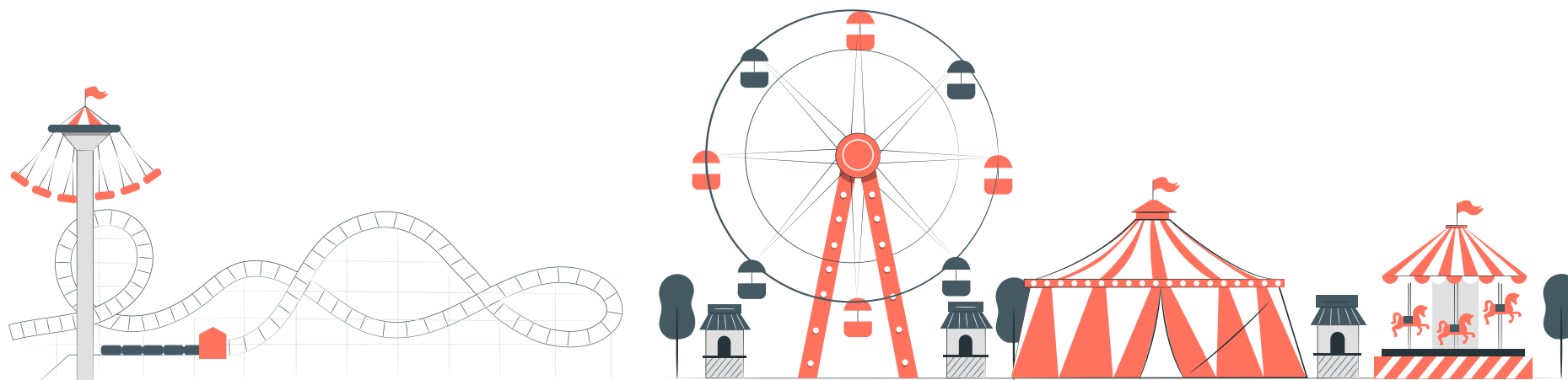
The basis for calculating IBS and CBS will be the amount of the transactions carried out by the establishments.



IBS and CBS rates will be reduced by 40% on transactions carried out by the sector, and credit may not be recorded on purchases of goods and services by suppliers of hotel, amusement park and theme park services.



Purchasers of hotel, amusement park and theme park services will also be prohibited from recording IBS and CBS credits.



HOW IT AFFECTS THE TOURISM



PASSENGER TRANSPORTATION SERVICES



A specific regime will apply to collective passenger transport by road, rail, waterway and regional air freight, covering urban, semi-urban, metropolitan, intermunicipal and interstate services.



IBS and CBS credits may be recorded and used by purchasers of transportation services.



100% reduction in the IBS and CBS rates for urban, semi-urban and metropolitan public passenger transport by rail and waterway, with no possibility of recording credits, either by the providers or the purchasers of these services.



40% reduction in rates for collective passenger transportation by road, rail and intercity and interstate waterway, with the possibility of recording credits for suppliers.



40% reduction in the IBS and CBS rates on the provision of regional collective air transportation services for passengers or cargo.

TOURISM AGENCIES



Intermediary services (such as the sale of tourism packages) will be subject to rates equivalent to intermediary services (such as hotel services, amusement parks and theme parks).



The calculation basis will include the amounts charged to the end user, including all the goods and services provided and enjoyed through intermediation, plus their aggregation margin and commissions and incentives received from third parties.



The purchaser will be allowed to record IBS and CBS credits relating to the intermediation service provided by the travel agency.



Agencies will be allowed to record IBS and CBS credits on purchases as long as the amounts are not deducted from the calculation basis.

HOW IT AFFECTS THE RETAIL

HOW IT AFFECTS THE RETAIL



IBS and CBS will be levied on all goods and services, thus encompassing all retail transactions. On the other hand, given the idealized full non-cumulative nature of the new taxes, the supplementary law provides that taxpayers subject to the regular regime will be allowed to record IBS and CBS credits when debts relating to transactions in which they are the purchaser are extinguished, except exclusively those considered to be for personal use or consumption.



The recorded IBS and CBS credits will correspond to the amounts of the IBS and CBS debts, respectively, that have been included in the purchasing tax invoice and extinguished. The purchaser must reverse the recorded credit if the goods acquired perish, deteriorate or are subject to theft, robbery or loss.



Transactions that are immune, exempt or subject to a zero rate, deferral or suspension will not allow the purchasers of goods and services to record credits. Immunity and exemption will lead to the annulment of credits relating to previous transactions, except in cases of export.



Some goods and services considered harmful to health and the environment under the law, such as vehicles, boats and aircraft, smoking products, alcoholic beverages, sugar-sweetened beverages, mineral goods and game shows and fantasy sports, will be subject to the Selective Tax, which will be levied only once on the good or service. Any use of tax credits from previous transactions or the generation of credits for subsequent transactions is prohibited.



HOW IT AFFECTS THE RETAIL



Education services, healthcare services, medical devices, accessibility devices for people with disabilities, medicines, food intended for human consumption, personal hygiene and cleaning products mostly consumed by low-income families, agricultural, aquaculture, fishing, forestry and plant extraction products in natura, agricultural and aquaculture inputs, national artistic, cultural, event, journalistic and audiovisual productions, institutional communication, sports activities, and goods and services associated with national sovereignty and security, information security and cyber security will be subject to a 60% reduction in IBS and CBS rates.



A certain list of products will also be subject to zero IBS and CBS rates. These products are regularly made available to consumers through retailers. These include certain specific medicines, basic menstrual health and care products, as well as vegetables, fruit and eggs.



For retail transactions, the taxpayer may opt for the simplified split payment procedure for all transactions whose purchaser is not a taxpayer of IBS and CBS under the regular regime. In this case, the amounts of IBS and CBS to be segregated and collected by the payment service provider or payment system operating institution will be calculated based on a pre-established percentage of the transaction value.





HOW IT AFFECTS THE MANAUS FREE TRADE ZONE

HOW IT AFFECTS THE MANAUS FREE ZONE

THE MANAUS FREE ZONE AND FREE TRADE ZONES FROM THE PERSPECTIVE OF CONSTITUTIONAL AMENDMENT 132/2023 AND SUPPLEMENTARY LAW 214/23

IBS and CBS



The laws that established the CBS and the IBS will provide for the mechanisms needed to generally maintain the competitive advantage of the Manaus Free Trade Zone (ZFM), with or without compensating measures.



Sustainable Development Fund for Western Amazon and Amapá

A supplementary law will establish a Sustainable Development Fund for the Western Amazon and the State of Amapá, which will be funded by the Federal Government. The fund will be managed by the Federal Government, with the effective participation of these states in the development of policies, seeking to foster the development and diversification of their economic activities.

PROVISIONS IN CONSTITUTIONAL AMENDMENT 214/2025 REGARDING THE MANAUS FREE TRADE ZONE

Não estão contemplados pelo regime da ZFM:



Weapons and ammunition;



Tobacco products and derivatives;



Oil, lubricants, and liquid and gaseous fuels derived from oil (petroleum), except for the oil refining industry located within the ZFM, exclusively regarding internal deliveries for such area, provided that the basic production process is fulfilled – It does not apply to any other phase;



Perfumes or vanity products, prepared cosmetics and cosmetic preparations – In the latter case (MERCOSUR Common Nomenclature headings 3303 to 3307), there is an exception if the product is aimed exclusively at internal consumption within the ZFM, or if they are produced using regional fauna and flora inputs, in compliance with the basic production process;



Alcoholic beverages; and



Passenger vehicles.

HOW IT AFFECTS THE MANAUS FREE TRADE ZONE

Suspension and exemption of taxes (IBS and CBS)



IBS and CBS will not be levied on imports by incentivized industries of material goods for use within the ZFM, except in the import of goods for own use.



The suspension of taxes will be converted into an exemption if:



The goods are consumed or incorporated into the production process; or



They remain within the fixed assets of the purchasing establishment for 48 months.



To enjoy the tax incentives, the company must hold a specific identification number in the Superintendence of the Manaus Free Zone's (SUFRAMA) register, and a specific identification number for a technical-economic project, which must be approved by SUFRAMA's Board of Directors.

Rates reduced to zero **zero**



IBS and CBS rates will be reduced to zero for transactions that deliver industrialized material goods to taxpayers in the Free Trade Zone who are qualified according to the Superintendence of the Manaus Free Trade Zone's regulations, and who are subject to the IBS and CBS regular tax regime.



Rates will also be reduced to zero for transactions between incentivized industries in the ZFM when aimed at industrial production in the area.



CBS rates levied on transactions by legal entities established in the ZFM involving Brazilian material goods or services provided in person will be reduced to zero when aimed at individuals or legal entities located within the ZFM.

Presumed credit



Incentivized industries can benefit from presumed IBS and CBS credits when purchasing intermediate goods within the Free Trade Zone, as long as the products are incorporated into the production process.

The credit amount will be calculated based on specific percentages on the transaction value, varying according to the origin of the goods.

HOW IT AFFECTS THE MANAUS FREE TRADE ZONE

IPI reduction



As of 2027, the IPI rate for products manufactured in the ZFM will be reduced to zero for those subject to a rate of less than 6.5%, as established in the IPI Tax-Rate Schedule in force on December 31, 2023, and which:

Was industrialized in the Manaus Free Zone in 2024; or

Had a technical-economic project approved by SUFRAMA's Board of Directors between January 1, 2022 and January 16, 2025 (Publication date of Constitutional Amendment 214/2025).

PROVISIONS IN CONSTITUTIONAL AMENDMENT 214/2025 REGARDING FREE TRADE ZONES

Benefits relating to the Free Trade Zones will be valid until December 31, 2050.

The free trade zones are:

- Tabatinga (AM)
- Guajará-Mirim (RO)
- Boa Vista e Bonfim (RR)
- Macapá e Santana (AP)
- Brasília, Epitaciolândia e Cruzeiro do Sul (AC)

Suspension of taxes (IBS and CBS)



Conditions for enabling tax incentives for Free Trade Zones (ALC) are: Specific identification number in SUFRAMA's register and specific identification number for a technical-economic project, with approval by SUFRAMA's Board of Directors.



IBS and CBS are suspended on imports of material goods by qualified industries (for the industrialization of products in which the final composition contains a significant proportion of raw materials of regional origin, from the animal, vegetable and mineral segments), subject to the regular IBS and CBS regime, for incorporation into their production process.



The suspension of IBS and CBS is converted into an exemption when the goods:



Are consumed or incorporated into the production process; or



They remain within the fixed assets of the purchasing establishment for 48 months.



If the imported goods are shipped outside the Free Trade Zones before they are converted into exemptions, the importer will have to pay the suspended taxes, and the recording and use of credits is permitted.

HOW IT AFFECTS THE MANAUS FREE TRADE ZONE

Rate Reduction



IBS and CBS rates will be reduced to zero on transactions that deliver goods to taxpayers established in Free Trade Zones, provided that they are qualified and subject to the regular regime.



The IBS will be levied on the entry of goods covered by the rate reduction, except if they are destined for an incentivized industry to be used in Free Trade Zones. The taxpayer is the recipient of the transaction to collect the tax using the transaction value as a calculation basis.



Presumed credit



The taxpayer subject to the regular IBS and CBS regime is granted, by applying differentiated percentages, a presumed IBS credit relating to the acquisition of industrialized material goods of national origin covered by the reduction to zero of the IBS rate.



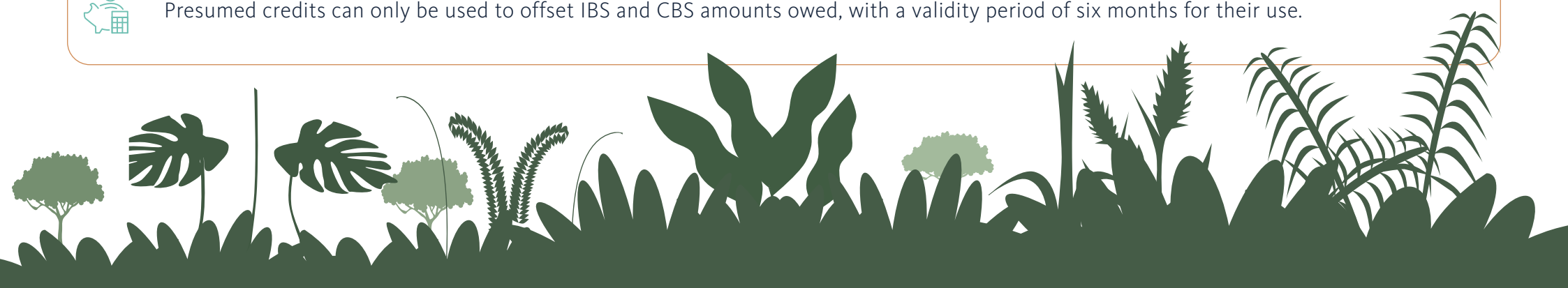
The industry subject to the regular IBS and CBS regime is granted a presumed CBS credit relating to the transaction that delivers to the national territory material produced by the industry itself in the area, under the terms of the approved economic project.



Presumed credits can only be used to offset IBS and CBS amounts owed, with a validity period of six months for their use.



Presumed credits can only be used to offset IBS and CBS amounts owed, with a validity period of six months for their use.



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DEMAREST

A hand holding a pen points at a calculator on a desk. In the background, there is a notebook and a bar chart. The image has a warm, orange-toned overlay.

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