

## **Brazilian Federal Revenue enacts new regulation over Corporate Taxpayers Enrollment and ultimate beneficial owner (UBO)**

On December 28th 2018, Normative Ruling 1.863/18 (“IN 1.863/18”) was published in the Official Gazette, establishing new rules and procedures relating to the Corporate Taxpayers Enrollment (“CNPJ”) and replacing Normative Ruling 1.634/16 which was formally revoked.

The new Normative Ruling maintains most of the provisions set forth in the precedent regulation with few amendments.

Specifically with regards to the obligation of ultimate beneficial owner disclosure, it is important to emphasize that the deadline for legal entities already registered in CNPJ to file the applicable form was postponed to June 26th 2019.

Additionally, Normative Ruling 1.863/18 innovates to set forth that the failure to present the ultimate beneficial owner form timely by any of the obliged entities shall lead to the their respective CNPJ enrollment suspension, thus preventing them to transact with local financial institutions. Until the enactment of the new Normative Ruling, only foreign entities and financial institutions domiciled abroad were subject to such suspension.

Our professionals remain at disposal for any clarification over the mandatory ultimate beneficial owner disclosure to the Brazilian Federal Revenue, as well as to advise over the information and necessary documents to be presented to the tax authorities.