

Market Access

for
Whiskey in BRAZIL



September, 2010

This project was developed by the US Agricultural Trade Office (ATO) of the USDA/Foreign Agricultural Service in Sao Paulo, Brazil, in collaboration with private consultants, importers and customs agents. While every possible care has been taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies and procedures were not available.

It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped.

FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

Project Objective



The present project aims to catalogue all administrative procedures and legal requirements to export food products to Brazil, including:

- The identification of legal and administrative requirements involved in each step from door-to-door export process to Brazil.
- Costs estimates related to the fulfillment of each request.
- Possible delays related to each request/step in the food trading business with Brazil.
- Identification of legislation or regulations establishing each requirement.
- Highlight of existing differences in procedures/time/cost between the legal (theoretical) and practical course of actions throughout the import process.

- **Meat of bovine animals, frozen, boneless** (Chapter 02)
- **Fish** (Chapter 03)
- **Dairy products** (Chapter 04)
- **Fruit & Vegetables (Fresh/Dried)** (Chapter 08)
- **Sugar** (Chapter 17)
- **Candies** (Chapter 17)
- **Candies sugar-free** (Chapter 17)
- **Chewing gum** (Chapter 17)
- **Syrups** (Chapter 17)
- **Chocolate** (Chapter 18)
- **Cookies & Crackers** (Chapter 19)
- **Ready-to-eat cereals** (Chapter 19)
- **Pastry cook products** (Chapter 19)
- **Bread, pastry, cake products** (Chapter 19)
- **Snacks** (Chapter 20)
- **Diet jam** (Chapter 20)
- **Broths & Soups** (Chapter 21)
- **Condiments & Seasonings** (Chapter 21)
- **Tea** (Chapter 21)
- **Ketchup** (Chapter 21)
- **Mustard sauce** (Chapter 21)
- **Food preparations** (Chapter 21)
- **Sauces** (Chapter 21)
- **Non alcoholic beverages** (Chapter 21)
- **Whiskey** (Chapter 22)
- **Wine** (Chapter 22)

Food & Beverage Regulators

The Ministry of Agriculture, Livestock and Food Supply (MAPA) and the National Agency of Sanitary Surveillance (ANVISA) are the primary government regulators of agricultural products. Their jurisdiction follows:

MAPA	ANVISA
<p>Consumer-oriented products</p> <p>Food:</p> <ul style="list-style-type: none"> ▪ animal origin products (red meats and by-product, poultry meat and by-products, fish, seafood products, dairy products and eggs) ▪ Plant origin products (fruits and by-products, vegetables and by-products) <p>Beverages: alcoholic and non alcoholic (excluding those under ANVISA's authority).</p>	<p>Consumer-oriented products</p> <p>Food:</p> <ul style="list-style-type: none"> ▪ all processed products (except those under MAPA's authority) <p>Beverages: mineral water, flavored waters, energy drinks, hydroelectrolitic beverages and soy beverages</p>
<p>Intermediate products Wheat, flour, planting seeds, etc</p>	<p>Intermediate products Sugar, sweeteners, additives, colorants, etc</p>
<p>Pet food, feeds and fodders</p>	
<p>Ministério da Agricultura, Pecuária e Abastecimento</p>  <p>UM PAÍS DE TODOS GOVERNO FEDERAL</p>	 <p>ANVISA Agência Nacional de Vigilância Sanitária</p>

- Data based on a survey and research conducted in conjunction with third party to capture standard import procedures for food products.
- Companies surveyed are distributors/retailers, domestically owned of limited liability. Companies are small-medium size (except for Pao de Acucar Group, 2nd largest retailer), located in the main urban areas. In such structure a third party (broker) conducts the clearance process.
- Government agencies considered are those involved in whichever stage of the import process for food products, including policy makers
- The study includes all necessary documents, permits, licenses, authorizations and notifications required by Brazilian authorities. Documents filed simultaneously are counted separately.
- Procedures are considered only when interface with a third party (government or non-government) is made necessary. Each procedure is separated by its nature.
- Time is calculated in calendar days. The calculation is made from the moment it is initiated and lasts until it is completed. Procedures are not counted in parallel. Costs measure fees, taxes, tariffs, services of third parties to complete the clearance process. Cost estimate does not include import tariffs or taxes applied by the Brazilian authorities to trade goods.

Import process steps



PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

1. Formula Study

2. Label Development

3. Exporter's pro forma

4. Issuance of an Import License (LI)

Legislation

- Decree 55.871, March 26, 1965 (Approves maximum thresholds of inorganic contaminants – Table II)
- PL 8.918, July 14, 1994 (Addresses the standardization, classification, registry, inspection and production, and the inspection of beverages. Authorizes the creation of the Inter-Sector Beverages Commission, and takes other actions)
- SVS/MS Edict 685, August 27, 1998 (General principles for establishment of maximum thresholds of chemical contaminants in food)
- ANVS/MS Resolution 386, August 05, 1999 (Technical regulation on additives used according to the Good Manufacturing Practices), and its amendments (RDC/ANVISA Resolutions 234, August 19, 2002 and 43, March 1, 2005)
- RDC/ANVISA Resolution 12 January 2, 2001 (Approves the technical regulation on microbiological standards for foods)
- RDC/ANVISA Resolution 286, September 28, 2005 (Technical Regulation on the use of technology coadjuvants in Alcoholic Beverages)
- Decree 6.871, June 04, 2009 (Regulates Law 8.918, July 14, 1994, which addresses the standardization, classification, registration, check, production and inspection of beverages)
- RDC/ANVISA Resolution 41, August 10, 2009 (Technical regulation on additives for Alcoholic Beverages – except fermented beverages)
- MAPA Normative Instruction 55, November 18, 2009 (Reviews procedures to import, export, harvest and collect samples of beverages, products from acetic fermentation and raw materials) and its amendments (MAPA Normative Instruction 19, June 30, 2010)

Timeframe

Legal/Theory: Not established
In practice: 1 day

Cost

Legal/Theory: Not established
In practice: R\$0 (importer) to R\$300 (consultant)

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

1. Formula Study

2. Label Development

3. Exporter's pro forma

4. Issuance of an Import License (LI)

Procedure

Legal/Theory: All beverages must follow their respective Identity and Quality Standards (PIQ, is the acronym in Portuguese), which are determined by specific laws. The PIQs define each one of the Ministry of Agriculture food categories, and even determine specific quality and labeling criteria.

In practice: A product's Formula Study consists of analyzing the complete composition of the product, including the additives and manufacturing technology coadjuvants used, and their respective quantities, in order to tell whether it fulfills its PIQ, aside from verifying whether all ingredients and additives are allowed for the product category in Brazil, as well as whether it obeys maximum established limits, as applicable. The maximum limits of organic contaminants must also be met.

Certificate of analysis / Certificate of origin – check if the entity and laboratory of the country of origin that will issue the Certificate of analysis/origin is included in MAPA'S list.

Number of Documents

- 1
- 1. Quantitative product formula

Process initiator

Exporter, importer or consultant

Inquiries

Alcoholic and Non-Alcoholic Beverages Division (DBEB)

Esplanada dos Ministérios, Bloco D, Anexo B, Sala 333

70043-900 Brasília, DF

Phone: (55-61) 3218-2327

Fax: (55-61) 3224-8961

E-mail: dbeb@agricultura.gov.br

Home Page: www.agricultura.gov.br

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

1. Formula Study

2. Label Development

3. Exporter's pro forma

4. Issuance of an Import License (LI)

Legislation

- Law nº 8.918, July 14, 1994 (Addresses the standardization, classification, registry, inspection and production, and the inspection of beverages. Authorizes the creation of the Inter-Sector Beverages Commission of beverages and other issues)
- Decree nº 2.018, October 1, 1996 (Regulates PL 9.294, July 15, 1994, which addresses restrictions on the use of tobacco products, alcoholic beverages, medicines, therapies and agricultural chemicals, in terms of Article 220, Paragraph Four of the Constitution)
- INMETRO Edict 157, August 19, 2002 (Bar Coding Technical Regulation)
- MAPA Normative Instruction 55, October 18, 2002 (Approves the technical regulation for the setting of criteria for indication of product denomination on beverage labels, wines, grape and wine co-products and vinegars)
- PL 10674, May 16, 2003 (Requires marketed food products to indicate whether they contain gluten)
- Decree 6.871, June 04, 2009 (Regulates Law 8.918, July 14, 1994, which addresses the standardization, classification, registration, check, production and inspection of beverages)

Timeframe

Legal/Theory: Not established
In practice: 1 day

Cost

Legal/Theory: Not established
In practice: R\$0 (importer) to R\$300 (consultant)

Procedure

Legal/Theory: There are some items required to appear on product front or side labels in Brazil, depending on the product:

1. Items required on the front panel:

- Technical name according to MAPA classification with its minimum height according to the provisions of MAPA Normative Instruction 55/02, as follows:

Content in milliliters (ml)	Minimum height of letters (mm)
Up to 600	1.5
Greater than 600 to 1,000	2.0
Greater than 1,000 to 2,500	3.0
Greater than 2,500 to 4,000	4.0
Greater than 4,000	5.0

- Brand;
- Quantitative Indication, and the minimum height of letters and numbers must follow the provisions of INMETRO Edict 157/02:

Content in milliliters (ml)	Minimum height of algorithms (mm)
Less than or equal to 50	2.0
Greater than 50 and less than or equal to 200	3.0
Greater than 200 and less than or equal to 1000	4.0
Greater than 1000	6.0

The letters used for writing unit-of-measure symbols must have a minimum height of $\frac{2}{3}$ (two-thirds) of the height of the algorithms.

For imported products, if the original packaging gives no indication of quantity on the main panel, or if such indication is in dimensions or units which do not agree with those established in INMETRO Edict 157/02, an authorization may be requested from INMETRO to allow the quantity statement elsewhere than on the front panel, through the use of a tag. However, in such cases, the size of the letters used must be, at a minimum, two times greater than those established.



1. Formula Study

2. Label Development

3. Exporter's pro forma

4. Issuance of an Import License (LI)

Procedure

2. Items required on the side panels:

- List of ingredients;
- The expression "Contains Gluten," or "Does Not Contain Gluten," clearly visible, depending on the case (PL 10.674/03);
- Country of origin;
- Producer data (complete name and address);
- Importer data (corporate name, address and corporate ID - CNPJ);
- Importer registration number;
- Lot;
- Storage care;
- Alcohol content;
- The expression, in bold, "Avoid excessive alcohol consumption," must be included for beverages with an alcohol content greater than 13 degrees Gay Lussac (Resolution 360/03);
- Expiration Date defined by the producer.

In the case of a product whose label is not in the Portuguese language, an adhesive sticker can be used, on the original label, containing all the required information in Portuguese. The aforementioned sticker may be applied at either at the product's origin or destination, but must always be applied prior to its commercialization.

Indication of quantity is mandatory to be indicated on the label. It must appear on the front panel of the label, with a minimum height established according to the net content.

In practice: Same as the Legal/Theory procedure



PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

1. Formula Study

2. Label Development

3. Exporter's pro forma

4. Issuance of an Import License (LI)

Number of Documents

- 3
- 1. Quantitative product formula;
- 2. Alcohol content;
- 3. Original product label.

Process initiator

Exporter, importer or consultant

Inquiries

Alcoholic and Non-Alcoholic Beverages Division (DBEB)

Esplanada dos Ministérios, Bloco D, Anexo B, Sala 333

70043-900 Brasília, DF

Phone: (55-61) 3218-2327

Fax: (55-61) 3224-8961

E-mail: dbeb@agricultura.gov.br

Home Page: www.agricultura.gov.br

MDIC/National Institute of Metrology, Standardization, and Industrial Quality (INMETRO)

Avenida Nossa Senhora das Graças, 50

25250-020 Duque de Caxias, RJ

Phone: (55-21) 2679-9001

E-mail: dimep@inmetro.gov.br

Home Page: www.inmetro.gov.br

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

1. Formula Study

2. Label Development

3. Exporter's pro forma

4. Issuance of an Import License (LI)

Legislation

- Not established



Timeframe

Legal/Theory: Not established

In practice: 7 days (after realization of the sale, depending on the exporter)



Cost

Legal/Theory: No cost

In practice: No cost



Procedure

Legal/Theory: Not established

In practice: Once the sale of the merchandise is established between the exporter and the importer, the import operation begins. At that point, the writing up of a Pro forma Invoice becomes necessary. This is a standard document used in international commerce, in which all the information pertinent to the transaction are contained, along with details of the acquired merchandise (product data, form of payment, method of transport, etc).



Number of Documents

- **1**
- 1. Pro forma Invoice



Process initiator

Exporter and importer



Inquiries

N/A



PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

1. Formula Study

2. Label Development

3. Exporter's pro forma

4. Issuance of an Import License (LI)

Legislation

- MAPA Normative Instruction 36, November 10, 2006 (Approves the International Agricultural Inspection Procedural Manual, and its amendments (MAPA Normative Instruction No. 24, of June 16, 2009, No. 36 of September 29, 2009, No. 37 of September 29, 2009, No. 39 of September 29, 2009, No. 45 of October 29, 2009, No. 49 of November 04, 2009 and No. 8 of March 8, 2010)
- MAPA Normative Instruction 40, June 30, 2008 (Authorizations for the import of animals, vegetables, their products, derivatives and parts, by-products, residues of economic value and agricultural and livestock supplies appearing in the Annex to this Normative Instruction shall be subject to previous application to the relevant technical sectors of the central entity of the Ministry of Agriculture, Livestock and Food Supply, or the Federal Agriculture Station of the interested person's jurisdiction)
- SECEX/MDIC Edict 10, May 24, 2010 (Consolidates the procedures applicable to foreign trade operations) and its amendments (SECEX Edicts 11, June 22, 2010, and 13, June 29, 2010)

Timeframe

Legal/Theory: up to 60 days (with the possibility of more time needed for reasons beyond the control of the Brazilian government-associated entity).

In practice: 6 days

Cost

Legal/Theory: No cost

In practice: No cost

Procedure

Legal/Theory: Once the importer accepts the Pro forma invoice he must consult with the Foreign Integrated System (SISCOMEX), using the NCM code (equivalent to the HS code) of the product to be imported, as to whether an Import License (LI) is needed. The LI is a document issued electronically through SISCOMEX, to the importer itself, and approved by the Ministry of Agriculture, which authorizes the import of the product in question. The LI is a document necessary for clearance of the product.

In the case of whiskeys, when consulting with SISCOMEX in Administrative Treatments, through the NCM, the system will indicate that the issuance of an LI with Ministry of Agriculture pre-approval is necessary prior to the shipment of the merchandise. This procedure may be done by the importer or by a registered agent previously authorized to use SISCOMEX in the importer's name.

In practice: Same as the Legal/Theory procedure.

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

1. Formula Study

2. Label Development

3. Exporter's pro forma

4. Issuance of an Import License (LI)

Number of Documents

- 1
- 1. Import License (LI)

Process initiator

Importer or licensed representative (customs agent)

Inquiries

MF/Secretariat of Foreign Trade (SECEX)

Esplanada dos Ministérios, Bloco J, Sala 814
7053-900 Brasília, DF
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Esplanada dos Ministérios, Bloco D, Anexo B, Sala 333
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Home Page: www.agricultura.gov.br

5. Embarkation Instructions

6. Load / Shipment Clearance

Legislation

- MAPA Normative Instruction 36, November 10, 2006 (Approves the International Agricultural Inspection Procedural Manual) and its amendments (MAPA Normative Instruction No. 24, of June 16, 2009, No. 36 of September 29, 2009, No. 37 of September 29, 2009, No. 39 of September 29, 2009, No. 45 of October 29, 2009, No. 49 of November 04, 2009 and No. 8 of March 8, 2010)
- Decree 6.759, of February 5, 2009 (Regulates the management of customs activities, and the inspection, control and taxation of foreign trade operations) and its amendments (Decree 7.213, June 15, 2010)
- MAPA Normative Instruction 55, November 18, 2009 (Reviews procedures to import, export, harvest and collect samples of beverages, products from acetic fermentation and raw materials) and its amendments (MAPA Normative Instruction 19, June 30, 2010)

Timeframe

Legal/Theory: Not established
In practice: 1 day

Cost

Legal/Theory: No cost
In practice: No cost

Procedure

Legal/Theory: In order to ship the material, the importer must supply the Embarkation Instructions to the exporter. These instructions consist of a document containing all the information related to the sale and the merchandise's condition upon embarkation, such as the quantity of the product, form of payment, transport temperature, packaging, pallet used, etc.

One matter that should be noted is the pallet material used in the shipping. If it is unprocessed wood, it must be inspected by an official of the Ministry of Agriculture upon arrival in Brazil to check for the presence of pests. Aside from that, it must arrive accompanied by a Phytosanitary Certificate, with an Additional Declaration on the treatment applied, or a Treatment Certificate embossed by the national Phytosanitary Protection Organization (ONPF) of the exporting country.

The Phytosanitary Certificate with Additional Declaration on the treatment applied, or the Treatment Certificate embossed by the ONPF of the exporting country will not be demanded for wood pallets which arrive with the Food and Agriculture Organization (FAO) international approval mark, International Phytosanitary Measure Norm (NIMF 15). Still, the NIMF marking does not free the pallet from being inspected by the Ministry of Agriculture.

Procedure

Inspection is done by microscope, and the entire pallet is reviewed. If a pest is found, the pallet will undergo the appropriate treatment (fumigation) or destroyed, after which a Statement of Occurrence is issued.

Pallets made of different materials (cardboard, fiber, plastic, etc) and those made of industrialized or processed wood are exempt from these demands.

In the Embarkation Instruction should further contain all the documents that the exporter must send to the importer for the release of the product:

1. Certificate of Analysis and Certificate of Origin, issued by laboratory or entity of the country of origin included in the list provided in MAPA'S website;
2. Aging Certificate;
3. Commercial invoice - "invoice" which, according to Art. 557 of Decree 6.759/09, must include the following information:
 - Exporter's complete name and address;
 - Importer's complete name and address;
 - Specifications of the merchandise in Portuguese, or in an official language of the General Agreement on Tariffs and Trade, or, if in another language, accompanied by a translation in Portuguese, at the option of the customs authority, containing the proper and commercial names, with an indication of the commercial elements necessary for their perfect identification;
 - Brand, number and, if such exists, the package reference number;
 - Quantity and type of packages;
 - Gross weight of the packages, by which is understood that of the merchandise and any wrapping or packaging;
 - Net weight. That is, the weight of the merchandise is considered, free of any wrapping or packaging;
 - Country of origin. This is to be understood as that country which has produced the merchandise, or where the final substantive transformation took place;
 - Country of Acquisition, by which is meant that country from which the merchandise was acquired to be exported to Brazil, independent of the merchandise's country of origin, or that of its ingredients;
 - Transit country, which is where the merchandise was located at the time of its acquisition;
 - Unit and total prices of each type of merchandise, and, if such exists, the amount and nature of the reductions and discounts given to the importer;



5. Embarkation Instructions

6. Load / Shipment Clearance

Procedure	<ul style="list-style-type: none"> ▪ Freight and other costs related to the merchandise specified on the invoice; ▪ Payment conditions and currency; ▪ Sales condition term (INCOTERM). <ol style="list-style-type: none"> 5. Import License (LI); 6. Packing List; 7. Bill of Lading or AWB. <p>In practice. The same as the Legal/Theory procedure.</p>	■
Number of documents	<ul style="list-style-type: none"> ▪ 1 <ol style="list-style-type: none"> 1. Embarkation Instruction 	■
Process initiator	Exporter, importer and shipping company	■
Inquiries	N/A	■

5. Embarkation Instructions

6. Load / Shipment Clearance

Legislation	<ul style="list-style-type: none"> None
Timeframe	<p>Legal/Theory: Not established</p> <p>In practice: 5 days</p>
Cost	<p>Legal/Theory: No cost</p> <p>In practice: No cost</p>
Procedure	<p>Legal/Theory: Not established</p> <p>In practice: The exporter sends the Embarkation Instructions, containing all the information necessary for issuance of the cargo manifest of lading (maritime BL, air AWB, rail RWB or highway CRT - model maritime BL), to the shipper. This is the proof of loading, issued by the shipping company, and containing the entire description of shipping.</p>
Number of documents	<ul style="list-style-type: none"> 0
Process initiator	Exporter and shipping company
Inquiries	N/A

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

7. Arrival of merchandise at the port

8. Registering the Import Declaration (DI) with SISCOMEX

9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Legislation

- Normative Instruction RFB/MT 797, December 20, 2007 (Addresses the provision of information necessary for customs control of shipments and loads, and collection of the Freight Surcharge for Merchant Marine Renovation)
- Normative Instruction RFB 800, December 27, 2007 (Addresses computerized customs control of the movement of shipments and loads in customs ports)

Timeframe

Legal/Theory: Not established

In practice: 2 days

Cost

Legal/Theory: Not established

In practice: from R\$10.00/metric ton to R\$400.00/container, depending on the type of shipping and shipper

Procedure

Legal/Theory: Upon arrival of the merchandise at the port, the load must be sent to the Customs Terminal (storage) pre-selected by the importer. Otherwise it will be sent to the terminal at which the shipping company maintains space. Once the merchandise is duly placed, the terminal must confirm and create the presence of the cargo, which is done by informing SISCOMEX of the conditions under which the cargo was received.

Unless the cargo is present, an Import Declaration (DI) cannot be registered at SISCOMEX.

In practice: the same as the Legal/Theory procedure.

Number of documents

- 0

Process initiator

Importer or licensed representative (customs agent), shipping company warehouse or customs warehouse

Inquiries

N/A

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

7. Arrival of merchandise at the port

8. Registering the Import Declaration (DI) with SISCOMEX

9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Legislation

- SFR Normative Instruction 680, October 2, 2006 (Regulates customs clearance for imports)
- SRF Normative Instruction 702, December 28, 2006 (Amends Normative Instruction SRF 680, October 2, 2006)
- SRF Normative Instruction 249, November 25, 2002 (Addresses the categorization of beverages under the IPI tax regime covered in article 126 of Decree 2637, of 1998, as well as addressing procedures and regulations connected with reclassification of products classified impositions 22.04, 22.06 and 22.08 of the TIP categories of IPI amounts)

Timeframe

Legal/Theory: Not established
In practice: 1 day

Cost

Legal/Theory: the cost to register a Import Declaration (DI), according to Normative Instruction 702/06 is R\$30.00 per DI. But the cost for each addition of merchandise varies according to the number of additions, as shown below:

Number of Additions	Amount per Addition (R\$)
Up to the 2 nd addition	10.00
3 rd to 5 th addition	8.00
6 th to 10 th addition	6.00
11 th to 20 th addition	4.00
21 st to 50 th addition	2.00
From the 51 st addition	1.00

In practice: Rate cost = R\$30.00 + amount assigned to the number of additions to the DI (same as the Legal/Theory procedure)

Procedure

Legal/Theory: Once the LI is released by the Ministry of Agriculture, the importer or the registered customs agent must register the Import Declaration (DI) at SISCOMEX.

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

7. Arrival of merchandise at the port

8. Registering the Import Declaration (DI) with SISCOMEX

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10. Federal Revenue Parameterized Selection

Procedure

The DI is a document in which all information related to the import will be contained:

- Importer information;
- Data on the cargo;
- Data on the bonded storage;
- Information on the merchandise;
- Federal taxes: Import Tax (II), Industrialized Products Tax (IPI), Social Integration Program (PIS), Obligatory Contribution to Social Security Financing (COFINS) and anti-dumping rights, when applicable. Federal taxes are automatically debited from the importer's or customs agent account;
- State tax: The Merchandise Circulation Tax (ICMS). The ICMS is collected through the State Collection Guide (GAE), and payable at any bank in Brazil. The original receipt must be sent to the Federal Revenue Service;
- Additional information, depending on the case (for example, the authorized customs agent);
- Parity rate (exchange rate) of the currency in which the business was done by the Central Bank;
- Detailed description of the merchandise, according to the LI and the commercial invoice.

In practice: Same as the Legal/Theory procedure.

Number of documents

- 0

Process initiator

Importer or licensed representative (customs agent)

Inquiries

MF/Secretariat of Federal Revenue (SRF)

Esplanadas dos Ministérios - Bloco P

70048-900 Brasilia, DF

Phone: (55-61) 3412-2000/3000

Home Page: www.receita.fazenda.gov.br

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

7. Arrival of merchandise at the port

8. Registering the Import Declaration (DI) with SISCOMEX

9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Inquiries

MF/Secretariat of Foreign Trade (SECEX)

Esplanada dos Ministérios, Bloco J, Sala 814

70053-900 Brasilia, DF

Phone: (55-61) 2109-7080

E-mail: decex.coord@desenvolvimento.gov.br

Home Page: <http://www2.desenvolvimento.gov.br/sitio/secex/secex/>

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

7. Arrival of merchandise at the port

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9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Legislation

- MAPA Normative Instruction 36, November 10, 2006 (Approves the International Agricultural Inspection Procedural Manual) and its amendments (MAPA Normative Instruction No. 24, of June 16, 2009, No. 36 of September 29, 2009, No. 37 of September 29, 2009, No. 39 of September 29, 2009, No. 45 of October 29, 2009, No. 49 of November 04, 2009 and No. 8 of March 8, 2010)
- Decree 6.871, June 04, 2009 (Regulates Law 8.918, July 14, 1994, which addresses the standardization, classification, registration, check, production and inspection of beverages)
- Decree 6.759, February 5, 2009 (Regulates the management of customs activities, and the inspection, control and taxation of foreign trade operations) and its amendments (Decree 7.213, June 15, 2010)
- Decree 7.212, June 15, 2010 (Regulates the taxation, inspection, collection, and administration of the Tax on Industrialized Products - IPI)

Timeframe

Legal/Theory: Not established
In practice: 2 to 7 days

Cost

Legal/Theory: No cost
In practice: No cost

Procedure

Legal/Theory: The importer or registered agent needs an Import Authorization for beverages, with the documents below:

1. Request for Review of Agricultural Products, as per Ministry of Agriculture Normative Instruction 36/06;
2. Additional data for the Request for Review of agricultural products when there is more than one product per request (3 copies);
3. Inspection Memorandum;
4. Deposit Agreement for the General Coordination for Sanitary Inspection on Agriculture and Livestock (VIGIAGRO);
5. Collecting samples agreement;

7. Arrival of merchandise at the port

8. Registering the Import Declaration (DI) with SISCOMEX

9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Procedure

6. Certificate of analysis, issue by an official or licensed entity of the country of origin, by lot or departure, issued by the manufacturer or producer (original and 2 copies) containing, according to Ministry of Agriculture Normative Instruction 33/06, the following analytical parameters:
 - Ethylic alcohol in %, v/v, to 20° C;
 - Total acidity in meq/l;
 - Volatile acidity (corrected) in meq/l;
 - Proportion of alcohol to weight/reduced dry extract;
 - Total sulfates, en potassium sulfate, in g/l;
 - Total anhydrous sulfur, in g/l;
 - Total chlorides,insodium chloride, in g/l;
 - Ash, in g/l;
 - Methylic alcohol, in g/l;
 - Total sugars in g/l of glyucose.
7. Certificate of Origin issued by governmental agency or on the origin country;
8. Aging Certificate;
9. Commercial Invoice – “Invoice”, with information required by art. 557, of Decree 6.759/09;
10. Copy of the Bill of Lading or AWB;
11. LI;
12. Importer Registration at MAPA;
13. Packing list;
14. Copy of the Operational License of the warehouse where the product will be stored.

In practice: Same as the Legal/Theory procedure.



PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

7. Arrival of merchandise at the port

8. Registering the Import Declaration (DI) with SISCOMEX

9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Number of documents

▪ **14**

1. Request for Review of Agricultural Products;
2. Additional data for the request for review of agricultural products when there is more than one product per request (3 copies);
3. Inspection Memorandum;
4. Deposit Agreement (VIGIAGRO);
5. Collecting samples agreement;
6. Certificate of analysis, issue by an official or licensed entity of the country of origin, by lot or departure, issued by the manufacturer or producer (original and 2 copies);
7. Certificate of Origin issued by governmental agency or on the origin country;
8. Aging Certificate;
9. Commercial Invoice;
10. Copy of the Bill of Lading or AWB;
11. Import License (LI);
12. Importer Registration at MAPA;
13. Packing list;
14. Copy of the Operational License of the warehouse where the product will be stored.

Process initiator

Importer or licensed representative (customs agent)

Inquiries

Ministry of Agriculture unit at the merchandise point of entry in Brazil

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

7. Arrival of merchandise at the port

8. Registering the Import Declaration (DI) with SISCOSEX

9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Legislation

- SRF Normative Instruction 504, February 3, 2005 (Addresses special registration, which all producers, bottlers, product cooperatives, wholesale establishments and importer of alcoholic beverages are required to execute, and speaks to the control seal to which these products are subject, and other issues) and its amendments (SRF Normative Instructions 782, November 9, 2007, and 824, February 20, 2008, and RFB Normative Instruction 1.026, April 16, 2010)
- MAPA Normative Instruction 36, November 10, 2006 (Approves the International Agricultural Inspection Procedural Manual) and its amendments (MAPA Normative Instruction No. 24, of June 16, 2009, No. 36 of September 29, 2009, No. 37 of September 29, 2009, No. 39 of September 29, 2009, No. 45 of October 29, 2009, No. 49 of November 04, 2009 and No. 8 of March 8, 2010)
- MAPA Normative Instruction 55, November 18, 2009 (Reviews procedures to import, export, harvest and collect samples of beverages, products from acetic fermentation and raw materials) and its amendments (MAPA Normative Instruction 19, June 30, 2010)
- Decree 6.759, February 5, 2009 (Regulates the management of customs activities, and the inspection, control and taxation of foreign trade operations) and its amendments (Decree 7.213, June 15, 2010)

Timeframe

Legal/Theory:

- a) Green Channel: around 1 day, upon parameterization;
- b) Yellow Channel: approximately 2 days, upon parameterization;
- c) Red Channel: around 4 days, upon parameterization;
- d) Gray Channel: time for release of merchandise varies, possibly taking more than 60 days, upon parameterization.

In practice: Same as the Legal/Theory procedure.

Cost

Legal/Theory: No cost

In practice: No cost

PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

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9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Procedure

Legal/Theory: Upon registration of the DI, the process goes into Federal Revenue parameterization with SISCOMEX. This is an internal process, of the system itself, for channel selection:

- a) Green Channel: dispenses with the examination of documents and inspection of the merchandise, taking about 1 day for the release of the merchandise;
- b) Yellow Channel: only an examination of documents is necessary, taking approximately 2 days for the release of the merchandise;
- c) Red Channel: aside from document review, the merchandise must be physically inspected, a process that takes around 4 days for the release of the product;
- d) Gray Channel: this is the a channel for the application of special customs control, in which it becomes necessary to request new documents due to inconsistencies declared in the Pro forma, LI, bill of lading and DI. For this procedure, the time needed for release of the merchandise varies;

The parameterization process will only be finalized within the stipulated periods, once all the documents necessary for customs clearance, demanded by MAPA Normative Instruction 36/06 are correct:

1. Request for Review of Agricultural Products, as per Ministry of Agriculture Normative Instruction 36/06;
2. Additional data for the request for review of agricultural products when there is more than one product per request (3 copies);
3. Inspection Memorandum;
4. Deposit Agreement (VIGIAGRO);
5. Collecting samples agreement;
6. Certificate of analysis, issued by an official or licensed entity of the country of origin, by lot or departure, issued by the manufacturer or producer (original and 2 copies);
7. Certificate of Origin, issued by governmental agency or on the origin country;
8. Aging Certificate;
9. Commercial Invoice;
10. Copy of the Bill of Lading or AWB;
11. LI;
12. Importer Registration at Ministry of Agriculture;
13. Packing list;
14. Copy of the Operational License of the warehouse where the product will be stored;
15. ICMS Guide collected;
16. DI.



PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

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10. Federal Revenue Parameterized Selection

Procedure

According to SRF Normative Instruction 504/05, it is necessary to acquire an IPI seal, from the Federal Revenue, for distilled alcoholic drinks such as whisky. This control seal for beverages will be produced by the Brazilian Mint (CMB), in models and colors pertinent to the type and origin of the product on which they will be used.

The seals must be requested directly from the Secretary of Federal Revenue, by way of a request made by the importer. There is no specific model for the request. It should be provided directly to the Secretary of Federal Revenue. The request should be accompanied by proof of payment of the IPI, the amount of which ranges according to the beverage's alcohol content.

Placement of seals on the products must be done at the office of the Federal Revenue Secretariat responsible for customs clearance, or at the product's origin.

It should be noted that the seal functions as a closure device which is broken upon the opening of the beverage container, and may not be hidden.

Once inspection is completed, a Proof of Import (CI) will be issued, which is the document that attests to a completed importation, with the date of the DI and with data on the importer, the cargo and the clearance. With the CI in hand, customs clearance is complete, and the merchandise may be removed from bonded storage for distribution.

In practice: Same as the Legal/Theory procedure.



PRE-EMBARKATION

EMBARKATION

CUSTOMS CLEARANCE

7. Arrival of merchandise at the port

8. Registering the Import Declaration (DI) with SISCOEX

9. Physical review by MAPA official

10. Federal Revenue Parameterized Selection

Number of documents

▪ 17

1. Request for Review of Agricultural Products, as per Ministry of Agriculture Normative Instruction 36/06;
2. Additional data for the request for review of agricultural products when there is more than one product per request (3 copies);
3. Inspection Memorandum;
4. Deposit Agreement (VIGIAGRO);
5. Collecting samples agreement;
6. Certificate of analysis, issued by an official or licensed entity of the country of origin, by lot or departure, issued by the manufacturer or producer (original and 2 copies);
7. Certificate of Origin issued by governmental agency or on the origin country;
8. Aging Certificate;
9. Commercial Invoice;
10. Copy of the Bill of Lading or AWB;
11. LI;
12. Importer Registration at MAPA;
13. Packing list;
14. Copy of the Operational License of the warehouse where the product will be stored;
15. ICMS Guide collected;
16. DI;
17. Proof of Import (CI).

Process initiator

Importer or licensed representative (customs agent)

Inquiries

MF/Secretariat of Federal Revenue (SRF)

Esplanadas dos Ministérios - Bloco P
70048-900 Brasilia, DF
Phone: (55-61) 3412-2000/3000
Home Page: www.receita.fazenda.gov.br

Trade Example



Import Cost	R\$	%	Comments	
Ocean container				
PRODUCT: Alcoholic Beverages – Whiskey up to 2L			HC 2208.30.20	
FOB (Free on Board) Price in R\$	80,000.00	100%	% Import Tax (II) =	20%
Freight in R\$	7,000.00		%ICMS	25%
Maritime Insurance	1,600.00		%IPI	60%
CIF (Cost, Freight and Insurance) Price in R\$	88,600.00			
II (Import Tax)	17,720.00		% CIF	
IPI (Industrialized Products Tax)	63,792.00		% CIF + II	
SISCOMEX (Integrated Foreign Trade System) rate	40.00		Minimum amount	
Import License (LI)	0.00			
AFRMM (Merchant Marine surcharge)	1,750.00		25% maritime freight	
Logistics Costs at the Port of Santos				
CODESP (Santos Port Authority), Catapazias (Customs Duty), ATP (Port Additional Tariff)	400.00			
SDA (Broker's Syndicate)	584.00		2% CIF, ceiling R\$584.00	
Storage	600.00		.35% CIF, minimum R\$600.00	
Customs agent	760.00			
Demurrage (container)	0.00			
Insurance at the port	0.00			
PIS (Social Integration Program)	999.07		Formula	1.65%
COFINS (Obligatory Contribution to Social Security Financing)	4,601.76		Formula	7.60%
ICMS (Value Added Tax)	25,777.08		% (CIF + II + PIS + COFINS + SISCOMEX)	
Clearance Cost	205,923.91	157%	(x FOB)	
Cost without ICMS	180,146.83	125%	(x FOB)	

NOTE: CUSTOMS AGENT COST IS 1% OF THE VALUE OF THE MERCHANDISE (FOR THE ENTIRE PROCESS)

Decree n° 55.871, March 26, 1965 (Approves maximum thresholds of inorganic contaminants – Table II)

PL 8.918, July 14, 1994 (Addresses the standardization, classification, registry, inspection and production, and the inspection of beverages. Authorizes the creation of the Inter-Sector Beverages Commission, and takes other actions)

Decree n° 2.018, October 1, 1996 (Regulates PL 9.294, July 15, 1994, which addresses restrictions on the use of tobacco products, alcoholic beverages, medicines, therapies and agricultural chemicals, in terms of Article 220, Paragraph Four of the Constitution)

SVS/MS Edict 685, August 27, 1998 (General principles for establishment of maximum thresholds of chemical contaminants in food)

ANVS/MS Resolution 386, August 05, 1999 (Technical Regulation on additives used according to the Good Manufacturing Practices), and its amendments (RDC/ANVISA Resolutions 234, August 19, 2002 and 43, March 1, 2005).

RDC/ANVISA Resolution 12 January 2, 2001 (Approves the technical regulation on microbiological standards for foods)

INMETRO Edict 157, August 19, 2002 (Bar Coding Technical Regulation)

SFR Normative Instruction 680, October 2, 2006 (Regulates customs clearance for imports)

MAPA Normative Instruction 55, October 18, 2002 (Approves the technical regulation for the setting of criteria for indication of product denomination on beverage labels, wines, grape and wine co-products and vinegars)

SRF Normative Instruction 249, November 25, 2002 (Addresses the categorization of beverages under the IPI tax regime, covered in Article 126 of Decree 2.637, of 1998, as well as addressing the procedures and regulations connected with re-classification of products classified in positions 22.04, 22.06 and 22.08 of the Tipi in categories of IPI amounts)

PL 10.674, May 16, 2003 (Requires marketed food products to indicate whether they contain gluten)

SRF Normative Instruction 504, February 3, 2005 (Addresses special registration, which all producers, bottlers, product cooperatives, wholesale establishments and importer of alcoholic beverages are required to execute, and speaks to the control seal to which these products are subject, and other issues) and its amendments (SRF Normative Instructions 782, November 9, 2007, and 824, February 20, 2008, and RFB Normative Instruction 1.026, April 16, 2010)

RDC/ANVISA Resolution 286, September 28, 2005 (Technical Regulation on the use of technology coadjuvants in Alcoholic Beverages)

MAPA Normative Instruction 36, November 10, 2006 (Approves the International Agricultural Inspection Procedural Manual) and its amendments (MAPA Normative Instruction No. 24, of June 16, 2009, No. 36 of September 29, 2009, No. 37 of September 29, 2009, No. 39 of September 29, 2009, No. 45 of October 29, 2009, No. 49 of November 04, 2009 and No. 8 of March 8, 2010)

SRF Normative Instruction 702, December 28, 2006 (Amends SRF Normative Instruction 680, October 2, 2006)

RFB/MT Normative Instruction 797, December 20, 2007 (Addresses the provision of information necessary for customs embarkation control, and that of cargos and cargo units, and the collection of the Freight Surcharge for Merchant Marine Renovation)

RFB/MT Normative Instruction 800, December 27, 2007 (Addresses the computerized customs control of the movement of shipments, cargos and cargo units in customs ports)

MAPA Normative Instruction 40, June 30, 2008 (Authorizations for the import of animals, vegetables, their products, derivatives and parts, by-products, residues of economic value and agricultural and livestock supplies appearing in the Annex to this Normative Instruction shall be subject to previous application to the relevant technical sectors of the central entity of the Ministry of Agriculture, Livestock and Food Supply, or the Federal Agriculture Station of the interested person's jurisdiction).

Decree n° 6.759, February 5, 2009 (Regulates the management of customs activities, and the inspection, control and taxation of foreign trade operations) and its amendments (Decree 7.213, June 15, 2010)

Decree n° 6.871, June 04, 2009 (Regulates Law 8.918, July 14, 1994, which addresses the standardization, classification, registration, check, production and inspection of beverages).

RDC/ANVISA Resolution 41, August 10, 2009 (Technical regulation on additives for Alcoholic Beverages – except fermented beverages).

MAPA Normative Instruction 55, November 18, 2009 (Reviews procedures to import, export, harvest and collect samples of beverages, products from acetic fermentation and raw materials) and its amendments (MAPA Normative Instruction 19, June 30, 2010).

SECEX/MDIC Edict 10, May 24, 2010 (Consolidates the procedures applicable to foreign trade operations) and its amendments (SECEX Edicts 11, June 22, 2010, and 13, June 29, 2010)

Decree n° 7.212, June 15, 2010 (Regulates the taxation, inspection, collection, and administration of the Tax on Industrialized Products - IPI)

1. **Quantitative Product Formula**
2. **Alcohol Content**
3. **Original Product Label**
4. **Pro Forma Invoice**
5. **Import License (LI)**
6. **Bill of Lading or AWB**
7. **Certificate of Origin**
8. **Commercial invoice**
9. **Certificate of Analysis**
10. **Packing List**
11. **Embarkation Instruction**
12. **Request for Review of Agricultural Products**
13. **Additional data for the request for review of agricultural products**
14. **Collecting samples agreement**
15. **Importer Registration at MAPA**
16. **Deposit Agreement (VIGIAGRO)**
17. **Import Declaration (DI)**
18. **Operational License of the warehouse where the product will be stored**
19. **Inspection Memorandum**
20. **ICMS Guide collected**
21. **Aging Certificate**
22. **Proof of Import (CI)**

Alcoholic and Non-Alcoholic Beverages Division (DBEB)

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Please do not hesitate to contact the offices below with questions or comments regarding this study or to request assistance.

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