

BRAZIL

TRADE SUMMARY

U.S. goods exports in 2014 were \$42.4 billion, down 3.9 percent from the previous year. Brazil is currently the ninth largest export market for U.S. goods. Corresponding U.S. imports from Brazil were \$30.3 billion, up 9.8 percent. The U.S. goods trade surplus with Brazil was \$12.1 billion in 2014, a decrease of \$4.4 billion from 2013.

U.S. exports of services to Brazil were \$26.6 billion in 2013 (latest data available), and U.S. imports were \$7.3 billion. Sales of services in Brazil by majority U.S.-owned affiliates were \$38.7 billion in 2012 (latest data available), while sales of services in the United States by majority Brazil-owned firms were \$1.6 billion.

The stock of U.S. foreign direct investment (FDI) in Brazil was \$78.1 billion in 2013 (latest data available), down from \$79.1 billion in 2012. U.S. FDI in Brazil is led by the manufacturing, nonbank holding companies, and finance/insurance sectors.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Telecommunications – Acceptance of Test Results

Pursuant to Resolution 323 of November 2002, the Brazilian National Telecommunications Agency (ANATEL) requires testing of telecommunications products and equipment by designated testing facilities in Brazil, rather than allowing testing by a facility certified by an independent certification body. The only exception is in cases where the equipment is too large or too costly to transport. As a result of these requirements, U.S. manufacturers and exporters must present virtually all of their information technology and telecommunications equipment for testing at laboratories located in Brazil before that equipment can be placed on the Brazilian market, which causes redundant testing, reduced product choice, higher costs and delayed time to market.

The United States has urged Brazil to implement the Inter-American Telecommunication Commission (CITEL) Mutual Recognition Agreement (MRA) with respect to the United States. Under the CITEL MRA, two or more CITEL participants may agree to provide for the mutual recognition of conformity assessment bodies and mutual acceptance of the results of testing and equipment certification procedures undertaken by those bodies in assessing the conformity of telecommunications equipment to the importing country's technical regulations. The United States and Brazil are both participants in CITEL. If Brazil implemented the CITEL MRA with respect to the United States, it would benefit U.S. suppliers seeking to sell telecommunications equipment in the Brazilian market by accepting product testing and certification conducted in the United States to meet Brazil's technical requirements. The United States will continue to encourage Brazil to implement the CITEL MRA with respect to the United States.

Sanitary and Phytosanitary Barriers

Live Cattle, Beef, and Beef Products

Brazil imposed a ban on imports of U.S. live cattle, beef, and beef products following the detection of an animal that tested positive for Bovine Spongiform Encephalopathy (BSE) in the United States in 2003. In early 2013, Brazil modified its import regulations establishing a new regulatory pathway for all imports of U.S. beef and beef products. This new pathway will require a bilateral agreement establishing conditions for import. In December 2013, Brazil issued final sanitary import requirements for beef and beef products. The United States continues to work with Brazil to negotiate the necessary bilateral agreements that will allow Brazil to open its market fully to U.S. live cattle, beef, and beef products based on science, the World Organization for Animal Health guidelines, and the U.S. negligible risk status for BSE. The U.S. Department of Agriculture also is working with Brazil to adopt a systems-based approach for facility inspection and oversight.

Pork

Brazil allows imports of U.S. pork products only from manufacturing plants that its inspectors have individually inspected and approved. This approach is burdensome to U.S. exporters and significantly impedes market access for U.S. pork in Brazil. Currently, fresh U.S. pork can be imported into Brazil only if the product tests free of trichinae. The United States does not consider these requirements for trichinosis to be necessary as U.S. pork producers maintain stringent biosecurity protocols that serve to limit the incidence of trichinosis in the United States to extremely low levels in commercial swine.

Planting Seeds

In December 2010, Brazil's Ministry of Agriculture, Livestock and Food Supply (MAPA) published Normative Instruction 36 (Norma 36), a regulation establishing burdensome and extensive treatments as well as seed testing requirements for the import of 118 seed species from the United States. Following engagement with the United States, U.S. stakeholders, and other trading partners, Brazil amended Norma 36 in February 2011, allowing for inspection of seed fields instead of laboratory testing, but postponed the implementation of additional amendments. A new version of Norma 36, which associates seed species from each exporting country with pests of concern to Brazil, was announced in October 2013. This latest version includes new crops (seed species) and pest associations that are of concern to the United States, but the revised instruction has yet to be implemented. In December 2014, MAPA announced a further delay in implementation until May 30, 2015. The United States has conveyed its concerns and will continue to engage with Brazil on this issue.

IMPORT POLICIES

Tariffs

Brazil is a member of the Southern Common Market (MERCOSUR) customs union, formed in 1991 and comprised of Argentina, Brazil, Paraguay, Uruguay, and Venezuela. MERCOSUR maintains a Common External Tariff (CET) schedule with a limited number of country-specific exceptions, with most favored nation (MFN) applied rates ranging from 0 percent to 35 percent *ad valorem*. Brazil's import tariffs follow the MERCOSUR CET, with few exceptions. Brazil's MFN applied tariff rate averaged 13.5 percent in 2013. Brazil's average bound tariff rate in the WTO is significantly higher at 31.4 percent. Brazil's maximum bound tariff rate for industrial products is 35 percent, while its maximum bound tariff rate for agricultural products is 55 percent. Given the large disparities between bound and applied rates, U.S.

exporters face significant uncertainty in the Brazilian market because the government frequently increases and decreases tariffs to protect domestic industries from import competition and to manage prices and supply. The lack of predictability with regard to tariff rates makes it difficult for U.S. exporters to forecast the costs of doing business in Brazil.

Brazil imposes relatively high tariffs on imports across a wide spread of sectors, including automobiles, automotive parts, information technology and electronics, chemicals, plastics, industrial machinery, steel, and textiles and apparel. Under MERCOSUR, Brazil is permitted to maintain 100 exceptions to the CET until December 31, 2015. Using these exceptions, Brazil maintains higher tariffs than its MERCOSUR partners on certain goods, including cellular phones, telecommunications equipment, computers and computer printers, wind turbines, certain chemicals and pharmaceuticals, sardines, mushrooms, joint cement, hydrogenated castor oil, white mineral oils, hydrogen carbonate, machining centers, speed changers, and certain instruments and models designed for demonstration purposes.

In August 2010, MERCOSUR's Common Market Council (CMC) advanced toward the establishment of a Customs Union with its approval of a Common Customs Code (CCC) and Decision 5610 (December 2010) to implement a plan to eliminate the double application of the CET within MERCOSUR. The plan was to take effect in three stages with the first phase to have been implemented no later than January 1, 2012, but the deadline was not met. In November 2012, Argentina became the first MERCOSUR member to ratify the CCC. The CCC still must be ratified by the other four MERCOSUR member countries to come into effect.

As part of its Uruguay Round commitments, Brazil agreed to establish a 750,000 metric ton (MT) duty-free tariff-rate quota (TRQ) for wheat. Brazil has never opened the TRQ, and therefore no wheat has been shipped under it. In an April 1996 notification to the WTO, Brazil indicated its intent to withdraw the wheat TRQ in accordance with the process established in Article XXVIII of the GATT 1994. Brazil considers the Article XXVIII process to be ongoing. The Brazilian government considers the current MFN applied tariff rate for wheat of 10 percent, along with *ad hoc* duty-free MFN quotas established to bridge supply gaps, to confer benefits that are commensurate with, or in excess of, the 750,000 MT TRQ. However, because Brazil could increase the 10 percent applied tariff at any time and the *ad hoc* quotas are unpredictable, these arrangements do not offer U.S. wheat exporters the same certainty that a 750,000 MT TRQ would provide. The United States will continue to engage Brazil on this issue.

Nontariff Barriers

Brazil applies federal and state taxes and charges to imports that can effectively double the actual cost of imported products in Brazil. The complexities of the domestic tax system, including multiple cascading taxes and tax disputes among the various states, pose numerous challenges for all companies operating in and exporting to Brazil, including U.S. firms. For example, effective January 1, 2013, Brazil instituted a "temporary" regime for a reduction in the Industrial Product Tax (IPI) that made preferential tax rates to locally produced vehicles, provided that manufacturers comply with a series of local content and other requirements. This program will remain in effect until 2017. As part of the program, the baseline IPI on all vehicles will be revised upward by 30 percentage points, which is equivalent to the level applied to imported vehicles under the prior regime. However, those vehicles meeting certain levels of local content, fuel efficiency and emissions standards, and required levels of local engineering, research and development, or labeling standards receive tax breaks that may offset the full amount of the IPI. As a result, imported automobiles face a potential 30 percentage point price disadvantage compared to equivalent vehicles manufactured in Brazil even before import duties are levied.

Brazil prohibits imports of all used consumer goods, including automobiles, clothing, tires, medical equipment, and information and communications technology (ICT) products, as well as imports of certain

blood products. Brazil also restricts the entry of certain types of remanufactured goods (e.g., earthmoving equipment, automotive parts, and medical equipment). In general, Brazil only allows the importation of such goods if an importer can provide evidence that the goods are not or cannot be produced domestically. A 25 percent merchant marine tax on ocean freight plus port handling charges at Brazilian ports puts U.S. products at a competitive disadvantage *vis-à-vis* MERCOSUR products.

Import Licenses/Customs Procedures

All importers in Brazil must register with the Secretariat of Foreign Trade (SECEX) to access the Brazilian Secretary of Foreign Trade's computerized documentation system (SISCOMEX). SISCOMEX registration requirements are onerous, including a minimum capital requirement.

Brazil has both automatic and non-automatic import license requirements. Brazil's non-automatic import licensing system covers imports of products that require authorization from specific ministries or agencies, such as agricultural commodities and beverages (Ministry of Agriculture), pharmaceuticals (Ministry of Health), and arms and munitions (Ministry of National Defense). Although a list of products subject to non-automatic import licensing procedures is available on the SISCOMEX system, specific information related to non-automatic import license requirements and explanations for rejections of non-automatic import license applications are lacking. The lack of transparency surrounding these procedures creates additional burdens for U.S. exporters.

U.S. footwear and apparel companies have expressed concern about the extension of non-automatic import licenses and certificate of origin requirements on non-MERCOSUR footwear, textiles and apparel. They also note the imposition of additional monitoring, enhanced inspection, and delayed release of certain goods, all of which negatively impact the ability to sell U.S.-made and U.S.-branded apparel, footwear, and textiles in the Brazilian market.

The Brazilian government imposes non-automatic import licensing requirements on imported automobiles and automotive parts, including those originating in MERCOSUR countries. Delays in issuing the non-automatic import licenses negatively affect U.S. automobile and automotive parts manufacturers that export vehicles to Brazil.

U.S. companies continue to complain of burdensome documentation requirements for the import of certain types of goods that apply even if imports are on a temporary basis. In addition, the Ministry of Health's regulatory agency, ANVISA, must approve product registrations for imported pharmaceuticals, medical devices, health and fitness equipment, cosmetics, and processed food products. Currently, the registration process at ANVISA takes from three months to six months for new versions of existing products and can take more than six months for new products.

SUBSIDIES

The Plano Brasil Maior (Greater Brazil Plan) industrial policy offers a variety of tax, tariff, and financing incentives to encourage local producers and production for export. The Reintegra program, launched in December 2011 as part of Plano Brasil Maior, exempted from certain taxes exports of goods covering 8,630 tariff lines, and allowed Brazilian exporters to receive up to three percent of their gross receipts from exports in tax refunds. The Reintegra program expired at the end of 2013 and was reintroduced in July 2014 through Provisional Measure 651. The program was amended in September 2014 through Decree 8.304 to, among other things, add sugar, ethanol, and cellulose to the list of eligible products. For the majority of products eligible for Reintegra benefits, the total cost of imported inputs cannot exceed 40 percent of the export price of the product; for a small number of eligible products, the total cost of imported inputs cannot exceed 65 percent of the export price.

Brazil's National Bank for Economic and Social Development (BNDES) provides long-term financing to Brazilian industries through several programs, such as the R\$44 billion (approximately \$19 billion) Investment Maintenance Program. At 3 percent to 5.5 percent, the interest rates charged on financing under this program are substantially lower than the prevailing market interest rates for commercial financing. One BNDES program, FINAME, provides preferential financing for the sale and export of Brazilian machinery and equipment, and provides financing for the purchase of imports of such goods provided that such goods are not produced domestically. These programs can be used for financing capacity expansions and equipment purchases in industries such as steel and agriculture. BNDES also provides preferential financing for wind and solar farm development, contingent upon progressively more stringent local content requirements. Currently, wind turbine suppliers of any nationality are eligible to receive preferential BNDES financing, provided the wind towers are built with at least 70 percent Brazilian steel by 2016, and photovoltaic suppliers must use 60 percent Brazilian made components by 2020.

Brazil's Special Regime for the Information Technology Exportation Platform (REPES) suspends Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS) taxes on goods imported and information technology services provided by companies that commit to export software and information technology services to the extent that those exports account for more than 50 percent of the company's annual gross income. The Special Regime for the Acquisition of Capital Goods by Exporting Enterprises (RECAP) suspends these same taxes on new machines, instruments, and equipment imported by companies that commit for a period of at least two years to export goods and services such that they account for at least 50 percent of the company's overall gross income for the previous calendar year.

Brazil provides tax reductions and exemptions on many domestically-produced ICT and digital goods that qualify for status under the Basic Production Process (Processo Produtivo Básico, or PPB). The PPB provides benefits on the production and development of goods that incorporate a certain minimum amount of local content. Tax exemptions are also provided for the development and build out of telecommunications broadband networks that utilize locally developed products and investments under the Special Taxation Regime for the National Broadband Installation Program for Telecommunication Networks (Regime Especial de Tributação do Programa de Banda Larga para Implantação de Redes de Telecomunicações, or REPNBL-Redes).

In April 2013, Brazil passed the Special Regime for the Development of the Fertilizer Industry (REIF). Under this program, fertilizer producers receive tax benefits, including an exemption for the IPI on imported inputs, provided they comply with minimum local content requirements and can demonstrate investment in local research and development projects.

Brazil also provides a broad range of assistance to its agricultural sector in the form of low interest financing, price support programs, tax exemptions, and tax credits. An example of such assistance is the Equalization Premium Payment to the Producer (Prêmio de Equalização Pago ao Produto or PEPRO), which offers a payment through an auctioning system to producers or cooperatives of certain agricultural commodities including, grapes, corn, and cotton based on the difference between the minimum price set by the government and the prevailing market price. Each PEPRO auction notice specifies the commodity to be tendered and the approved destinations for that product, including export destinations. From 2003 to 2014, approximately \$1.8 billion was spent on PEPRO programs, mostly for cotton, corn, wheat, and rice.

Financing provided by BNDES is another form of assistance to Brazil's agricultural sector. Of the R\$190 billion (approximately \$80 billion) BNDES allocated to the various sectors of the Brazilian economy from January through December 2013, R\$18.7 billion (approximately \$8 billion) was set aside for the agriculture and livestock sectors, a 64 percent increase from 2012. In 2012, BNDES announced the *Prorenewa* credit line of R\$4 billion (approximately \$1.75 billion) available for the calendar year to finance the renewal or

expansion of approximately 2.5 million acres (1 million hectares) of sugarcane fields. As of September 2014, a new credit line of R\$3 billion (\$1.3 billion) was announced to cover projects approved and to be implemented by March 2015. Under the BNDES PASS, a program designed to support ethanol mills and refineries, approximately R\$245 million (approximately \$104 million) was allocated to enable companies to build up their inventories of ethanol and sugar during the October 2014 – September 2015 marketing year.

GOVERNMENT PROCUREMENT

U.S. companies without a substantial in-country presence regularly face significant obstacles to winning government contracts and often are more successful in subcontracting with larger Brazilian firms. Regulations allow a Brazilian state enterprise to subcontract services to a foreign firm only if domestic expertise is unavailable. Additionally, U.S. and other foreign firms may only bid to provide technical services where there are no qualified Brazilian firms.

Brazil gives procurement preference to firms that produce in Brazil and that fulfill certain economic stimulus requirements such as generating employment or contributing to technological development, even if their bids are up to 25 percent more expensive than bids submitted by foreign firms not producing in Brazil. The law allows for “strategic” ICT goods and services procurements to be restricted to those with indigenously developed technology. Government procurement is just one of many measures under Plano Brasil Maior intended to promote and protect domestic producers, particularly the labor-intensive sectors facing import competition. The Ministry of Development, Industry, and Commerce maintains an 8 percent preference margin for domestic producers in the textile, clothing, and footwear industries when bidding on government contracts, and 5 percent to 25 percent preference margins for domestically produced backhoes, motor graders, and a variety of pharmaceuticals.

Brazil’s regulations regarding the procurement of ICT goods and services require federal agencies and parastatal entities to give preferences to locally produced computer products based on a complicated price/technology matrix. In addition, Brazil has made several attempts over the past decade to enact preferences at the federal, state, and local government levels for the procurement of open-source software over commercial products. In December 2011, two Brazilian legislative committees approved draft Law PL 2269/1999, which would require all Brazilian federal government agencies and state-owned entities to favor open-source software in their procurement policies. If such legislation were enacted, U.S. software providers would be at a severe disadvantage compared to Brazilian companies. In addition, in August 2012, the Ministry of Science, Technology and Innovation released a “Bigger IT Plan” intended to bolster the growth and development of the domestic information technology industry. The program focuses heavily on software and related services and establishes a new process for the government to evaluate and certify that software products are locally developed in order to qualify for price preferences that may be as high as 25 percent.

In January and February 2014, pursuant to Decrees 8.184, 8.185, and 8.186, Brazil established price preference margins of up to 25 percent for government procurements of certain domestically produced high technology products such as printers and data processing machines, executive jets, certain ICT equipment, and local software services.

State-controlled oil company Petrobras’ local content requirements are established and regulated by Brazil’s National Petroleum Agency (ANP), which is gradually introducing higher local content requirements with each bidding round. In addition, local content requirements vary by block (the geographic area that is awarded by the Brazilian government to oil companies for oil exploration), and within that block the local content requirements differ for equipment, workforce, and services. In the first auctions in 1999, local content requirements were as low as five percent. Requirements have gradually

become more rigorous, and in the most recent auctions for exploratory blocks held in 2013, local content requirements for development ranged from 60 percent for offshore blocks to 85 percent for onshore projects. Technology intensive equipment and services will likely be subject to higher local content requirements than low technology equipment and services. Petrobras produces over 90 percent of Brazil's oil and gas, and is required by law to operate new projects in designated offshore areas with particularly high potential, known as the "pre-salt" region. Petrobras is responsible for ensuring that its workforce and its entire supply chain, which comprises the vast majority of the market, adhere to these increasingly high local content requirements.

The United States continues to urge Brazil to become a signatory to the WTO Agreement on Government Procurement in order to ensure that companies in both countries have access to each other's procurement markets.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

Brazil remained on the Special 301 Watch List in 2014. Brazil could be a significant growth and export market for domestic and foreign IP intensive industries; however, certain administrative and enforcement challenges continue to act as market access barriers. In spite of continued enforcement efforts by some Brazilian agencies, significant piracy and counterfeiting continue at physical markets, and online piracy continues relatively unabated, limiting the number of legitimate online offerings of copyright-protected content. Brazil has taken steps to address a backlog of pending patent applications but considerable delays remain, hindering foreign investment and domestic development and licensing of new technologies. The restriction on university ownership and licensing of IP is hindering investment in and development of domestic high technology industries. A non-transparent regulation that gives the health regulatory agency, ANVISA, the ability to review pharmaceutical patent applications, creates further uncertainty for companies wishing to invest in Brazil. The Federal Attorney General has clarified that ANVISA does not have this authority under the law, yet the regulation remains in force. The United States will continue to engage Brazil on these and other issues, including through the 2015 Special 301 Review.

SERVICES BARRIERS

Audiovisual Services and Broadcasting

Brazil imposes a fixed tax on each foreign film released in theaters, on foreign home entertainment products, and on foreign programming for broadcast TV.

Remittances to foreign producers of audiovisual works are subject to a 25 percent income withholding tax. Brazilian distributors of foreign films are subject to a levy equal to 11 percent of their withholding taxes. This tax, called the CONDECINE (Contribution to the Development of a National Film Industry), is waived for the Brazilian distributor, if the producer of the foreign audiovisual work agrees to invest an amount equal to 70 percent of the income withholding tax on their remittances in co-productions with Brazilian film companies. The CONDECINE tax is also levied on any foreign video and audio advertising.

Brazil also requires that all films and TV shows be printed locally. Importation of color prints for the theatrical and TV markets is prohibited. Domestic film quotas also exist for theatrical screening and home video distribution.

In September 2011, Brazil enacted law 12.485, which covers the subscription TV market, including satellite and cable TV. The law permits telecommunications companies to offer TV packages with their services and removes the previous 49 percent limit on foreign ownership of cable TV companies. However, new content quotas also went into effect in September 2011, which require every channel to air at least three

and a half hours per week of Brazilian programming during prime time. Additionally, one-third of all channels included in any TV package must be Brazilian. The content quotas were phased in over a three year period, achieving full implementation in September 2013. As before, foreign cable and satellite TV programmers are subject to an 11 percent remittance tax, which does not need to be paid if the programmer invests 3 percent of its remittances in co-production of Brazilian audiovisual services. In addition, the law delegates significant programming and advertising regulatory authority to the national film industry development agency, ANCINE.

Cable and satellite operators are subject to a fixed levy on foreign content and foreign advertising released on their channels. Foreign ownership in media outlets is limited to 30 percent, including the print and “open broadcast” (non-cable) TV sectors. Eighty percent of the programming aired on “open broadcast” TV channels must be Brazilian.

Express Delivery Services

U.S. express delivery service companies face significant challenges in the Brazilian market due to numerous barriers, including high import taxes, an automated express delivery clearance system that is only partially functional, and levels for *de minimis* exception from tariffs that are too low to facilitate efficient import of goods.

The Brazilian government charges a flat 60 percent duty for all goods imported through the Simplified Customs Clearance process used for express delivery shipments. U.S. stakeholders contend that this flat rate is higher than duties normally levied on goods arriving through regular mail, putting express delivery companies at a competitive disadvantage. Moreover, Brazilian Customs has established maximum value limits of \$5,000 for exports and \$3,000 for imports sent using express services.

Financial Services

Through Resolutions 225 and 232, the Brazilian National Council on Private Insurance (CNSP) restricts foreign insurers’ participation in the Brazilian market. Brasil Resseguros SA, a state-controlled company, monopolized the provision of reinsurance in Brazil until the enactment of Complementary Law 126 in 2007, which allowed private reinsurers to operate in the Brazilian market. The Superintendent Office of Private Insurance (SUSEP) keeps and discloses a list of reinsurance companies authorized to function in Brazil. For a foreign company to qualify as an admitted reinsurer, it must have a representation office in Brazil, meet the requirements of Complementary Law 126/2007, keep an active registration with SUSEP, and maintain a minimum solvency classification issued by a risk classification agency equal to Standard & Poor’s or Fitch ratings of at least BBB.

Telecommunications

As a condition of the June 2012 auction for the 2.5 GHz radio spectrum, ANATEL required wireless carriers to meet specific milestones over time to ensure local content for the infrastructure, including software, was installed to supply the licensed service and to ensure 60 percent local content in 2012, 65 percent in 2015, and 70 percent after 2017. ANATEL also required wireless carriers to use a minimum percentage of technology developed in Brazil, starting with 10 percent in 2012, 15 percent in 2015, and 20 percent after 2017. ANATEL extended these requirements to the 700 MHz spectrum in an auction of that frequency held in September 2014. Additionally, ANATEL imposed a condition that 50 percent of deployed technology must meet PPB requirements (discussed above). As a result of these eligibility requirements, which favor local manufacturing and technology development, no U.S. telecommunications companies submitted bids in the 2014 auction.

In April 2013, Brazil's Ministry of Communications issued a decree (Portaria No. 87), which provides an exemption from consumption taxes for smartphones meeting certain requirements, including that they contain a pre-loaded package of locally-developed applications. This tax exemption is expected to lead to a price reduction of up to 30 percent on smartphones containing these applications.

INVESTMENT BARRIERS

Foreign Ownership of Agricultural Land

The National Land Reform and Settlement Institute (INCRA) administers the purchase and lease of Brazilian agricultural land by foreigners. Under the applicable rules, the area of agricultural land bought or leased by foreigners cannot account for more than 25 percent of the overall land area in a given municipal district. Additionally, no more than 10 percent of agricultural land in any given municipal district may be owned or leased by foreign nationals from the same country. The rules also make it necessary to obtain congressional approval before large plots of agricultural land can be purchased by foreign nationals, foreign companies, or Brazilian companies with a majority of foreign shareholders. On February 26, 2014, Brazil's Attorney General issued Interministerial Directive 04/2014, which clarified the regulations applicable to agricultural land sales to foreigners made between 1994 and 2010 and legally protected such transactions from court challenge.