



AGIR = Action plan for Greater Investment Realization

Purpose of Policy Dialogue:
Increasing new business opportunity between Brazilian -Japanese enterprises

Foundation of Institutional Relations Committee

Establishment of Working Groups and formulation of AGIR 48 proposals

Taxation
WG

Customs
Clearance
WG

Labor
WG

Industrial Competitiveness/
SME Development
WG

Infrastructure
WG

5 Priority Proposals for Policy Dialogue

Proposal 1 Development of SMEs Support Measures

- Challengers and its counter measures about facility and technology areas
- Current situation / Annual sales limit for the target companies of Simples Nacional has been raised.



Proposal 2 Fostering Excellent Engineers which have Higher Level Management Skill

- Training measurement of engineers
- Current situation / Launch of new industrial policy "Brasil Mais Productivo" program.

Proposal 3 Establishment of Convenient Special Economic Zone (SEZ)

- Establishment of SEZ and export promotion zone around Sao Paulo
- Current situation / Submit of ZPE amendment bill



Proposal 4 Promotion of Infrastructure Development through Foreign Currency Introduction

- Development of institutional environment for financing
- Current situation / High interest towards the improvement of the grain transport infrastructure



Proposal 5 Smart-Grid for an Efficient Electricity System

- Measures to operational challenges in the power system
- Current situation / MDIC has established the working group on this issue, which discuss the measures including new fund

Core Proposal

TAX POLICIES

- Fundamental Reform of ICMS System**
 - Solution for Accumulated ICMS Credit
 - Extinction of Tax Substitution System
 - Revision of CONFAZ System (Measure for the correction of tax rate on the Inter-State transactions)
- Drastic Revision of Transfer Pricing Taxation**
 - Establishment of New Transfer Pricing Taxation System in accordance with OECD Regulations
- Simplification of Tax System and Protection for Taxpayers**
 - Guarantee for the Effectiveness on Tax Refund System

LABOR POLICIES

- Flexibility on Salary Escalation Rules**
 - Development of amicable relationship with labor union, for maintaining the competitiveness of Brazilian industry, and avoiding the declination of company performance
- Measures for Sustainable Employment**
 - Launch the flexible system for reducing various public expenses in financial difficulties, ex. Employment-Security Program (PSE, former PPE).
- Reasonable Management System for Work Force**
 - Development of cooperative relationship with labor union, securing the flexibility on HR management system and revision of relevant regulations such as;
 - Regulation for time of commuting (CLT Article 58 §2)
 - Regulation for overtime control (CLT Article 59)
 - Number of time for divisions of vacation (CLT Article 134)
 - Number of days for the purchase of vacation (CLT Article 143)

< Time-line >

2014 Jun
Foundation of Institutional Relations Committee

2014 Sep
Establishment of Working Groups

2015 Aug
Camara Japan Infrastructure Summit (PIL2)



2015 May
#5 Group of Wise (GoW) Meeting at Rio de Janeiro

2015 Sep
5 priority proposal of AGIR and Agreement for policy dialogue at meeting of ;

- the Joint Meeting of the Japan-Brazil Economic Cooperation Committee
- the meeting of the Brazil-Japan Joint Committee on Promoting Trade, Investment, and Industrial Cooperation.



2016 Jan 2nd Policy Dialogue

- SME support measures in Japan
- Challenges of automotive suppliers in Brazil

2016 Mar 3rd Policy Dialogue

- Expectation and demand for convenient SEZ

2016 Feb Joint Committee - Interim Meeting

- Proposal on ICMS Tax Substitution System
- Cooperation for strengthening of Brazilian automotive supplier sector

2016 Feb Brazil Japan-Brazil Agriculture and Food Dialogue

- Promotion of infrastructure development through foreign currency introduction

2016 May 4th Policy Dialogue

- Training of human resources
- Improvement of draw-back system

2016 Aug Public hearing at Lower House

- Appealing the importance of "Brazil Cost" reduction and the proposals of AGIR



2017 Mar 5th Policy Dialogue

- Tax and Labor Proposals of AGIR to Ministry of Finance

2017 Apr #7 GoW Meeting at Rio de Janeiro Joint Committee - Interim Meeting

2017 Aug Joint Meeting in Curitiba

