

DOCUMENT OF INTERNATIONAL MONETARY FUND
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**IMMEDIATE
ATTENTION**

EBS/83/77

CONFIDENTIAL

April 19, 1983

To: Members of the Executive Board

From: The Secretary

Subject: Brazil - Exchange Measures, Request for Waiver and Modification
of Performance Criteria, and Approval of Certain Exchange Measures

It is not proposed to bring the attached paper to the agenda of the Executive Board for discussion unless an Executive Director so requests by the close of business on Friday, April 22, 1983. In the absence of such a request, the draft decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Att: (1)

CONFIDENTIAL

INTERNATIONAL MONETARY FUND

BRAZIL

Exchange Measures, Request for
Waiver and Modification of Performance
Criteria, and Approval of Certain Exchange Measures

Prepared by the Western Hemisphere Department and the
Exchange and Trade Relations Department

(In consultation with the Legal Department)

Approved by E. Wiesner and W.A. Beveridge

April 18, 1983

I. Introduction

In the attached communication to the Acting Managing Director dated March 31, 1983, the Brazilian authorities have requested that the Fund waive certain performance criteria set out in paragraph 4(d)(ii) of the extended arrangement for Brazil (EBS/83/33, Supplement 4, 3/3/83), and that certain understandings be reached as regards the introduction of three export tax measures by Brazil pending the elimination of the export subsidy (credito premio) as contemplated under the program. Furthermore, the Brazilian authorities have proposed that understandings be reached with the Fund concerning the gradual reduction of export taxes introduced after the devaluation of February 21, 1983 pending the elimination of these taxes in accordance with a time schedule to be established by the time of the first review of the program to take place before August 30, 1983. Finally, the Brazilian authorities have requested that the approval of the multiple currency practices granted by the Executive Board on February 28, 1983 be extended to the practices as modified, and that the approval of an exchange measure introduced before the program period be granted because that measure was subsequently found to constitute an exchange restriction.

II. Background

The exchange measures contained in Resolutions Nos. 767, 807, 808, 811, and 812, promulgated by the Central Bank of Brazil, may be summarized as follows:

1. On October 7, 1982, minimum financing requirements were introduced for certain categories of imports, subject to an annual exemption limit, and subject also to specific but nondiscriminatory exemptions. ^{1/} Imports of machinery and equipment imports, including transportation equipment, were subjected to minimum financing terms of three, five, or eight years, depending on the annual value of imports. Replacement parts and other goods were made subject to import financing periods of one year and 180 days, respectively (Resolution No. 767).
2. On March 15, 1983, the basic foreign exchange allowance for tourist travel was reduced from US\$2,000 per year to US\$1,000 per year. The limit of US\$300 for personal remittances was also restricted to specific uses, including use by residents temporarily abroad, approved educational purposes, and for medical treatment. However, as was the administrative practice previously, foreign exchange is provided above these limits for genuine travel purposes with the authorization of the Central Bank (Resolution No. 807).
3. On March 10, 1983, the financial transactions tax (IOF) applied to purchases of foreign exchange for payments for certain goods and services was reduced. The 25 per cent tax was eliminated for travel expenses, and for unworked coal and sodium carbonate (neutral). It was reduced from 25 per cent to 15 per cent for a specific list of commodity imports, and reduced from 25 per cent to 12 per cent for the same commodity imports from LAFTA/LADI (ALADI) countries (Resolution No. 808).
4. Discriminatory export taxes were introduced, or will be introduced, on certain products which are exported to the United States and which are eligible for export subsidies. Resolution No. 812 that is attached gives the schedule of rates applied as of March 30, 1983. In addition, as mentioned in the attached communication, the Brazilian authorities intended to impose taxes on the exportation of stainless steel bars and rods on March 31, 1983, of frozen concentrated orange juice on April 30, 1983, and of tool steel on May 1, 1983. The rates for the latter will be in the same range as the rates given in the Annex to Resolution No. 812. It is understood that there will be reductions in the rates or coverage of these discriminatory taxes pending the phasing out of the export subsidy (credito premio) by April 30, 1985 across-the-board, with reductions starting in January, 1984.

^{1/} This measure was mentioned in EBS/83/33 (2/11/83), p. 26, in the description of Brazil's exchange and trade policies. However, it was not identified as an exchange restriction, and thus was not approved.

5. On March 29, 1983, the export taxes on several dozen raw materials and semiprocessed products were reduced from 20 per cent to 5 per cent. These include soybeans and soybean by-products, Brazil nuts, unprocessed animal hides, lumber, and processed wood. For other products (e.g., cocoa and by-products, and certain minerals), new rates, ranging from 8 per cent to 13 per cent, were adopted; these will be reduced gradually (by 1 percentage point per month in most cases) until their complete elimination (Resolution No. 811).

III. Waiver and Modification

The staff considers that the measures referred to above are consistent with the objectives of Brazil's program. The reduction in the coverage of the financial transactions tax (IOF) is consistent with the intention of the authorities to reduce progressively and to eliminate the tax during the program period. However, the reductions in the rate of this tax to 15 per cent and 12 per cent for a specific list of commodity imports constitute technical modifications of the multiple currency practice involved and require a waiver of paragraph 4(d)(ii) of the extended arrangement. The same is true of the changes in the tax rates on the export of soybeans, certain soybean by-products, Brazil nuts, unprocessed animal hides, lumber, processed wood, cocoa and cocoa by-products, and certain minerals.

As described in EBS/83/33 (2/18/83), which contains Brazil's request for an extended arrangement, and in the accompanying documentation, Brazil imposes discriminatory taxes, on a case-by-case basis, on certain exports to the United States to forestall the imposition by the United States of countervailing duties because of export and other subsidies granted by Brazil. Under agreements reached between the Brazilian and the U.S. authorities, certain export taxes will be introduced by Brazil on stainless steel bars and rods on March 31, 1983, on frozen concentrated orange juice on April 30, 1983, and on tool steel on May 1, 1983, at rates corresponding to the subsidy that is involved. Pending elimination of the export subsidy (credito premio), the introduction of these taxes can be regarded as not inconsistent with the program.

Moreover, the authorities propose that such understandings be reached with the Fund as would permit them to effect periodic reductions in the rates of nondiscriminatory export taxes introduced after the devaluation of February 21, 1983.

IV. Proposed Decision

The following draft decision is proposed for adoption by the Executive Board:

1. Brazil has consulted the Fund in accordance with paragraph 29 of the letter dated January 6, 1983, attached to the extended arrangement

for Brazil (EBS/83/33, Supplement 4), concerning the observance of the performance criteria set out in paragraph 4(d)(ii) of the extended arrangement.

2. The Fund notes that:

a. On March 10, 1983 the financial transactions tax (IOF) was reduced from 25 per cent to 15 per cent for a specific list of commodity imports and reduced from 25 per cent to 12 per cent for the same commodity imports from LAFTA/LAIA countries;

b. On March 29, 1983, the export taxes on soybeans and soybean by-products, Brazil nuts, unprocessed animal hides, lumber, and processed wood were reduced from 20 per cent to 5 per cent;

c. On March 29, 1983, new reduced rates of export taxes, ranging from 8 per cent to 13 per cent, were adopted for cocoa and by-products and certain minerals; they will be further reduced by 1 percentage point per month, in most cases, until their complete elimination; and

d. Discriminatory export taxes were to have been introduced on stainless steel bar and rod on March 31, 1983, and will be introduced on frozen concentrated orange juice on April 30, 1983 and on tool steel on May 1, 1983 at rates corresponding to various subsidies for which these products are eligible.

3. The attached communication dated March 31, 1983 from the Brazilian authorities shall be annexed to the extended arrangement for Brazil (EBS/83/33, Supplement 4), and the letters dated January 6 and February 24, 1983, together with the attached technical memorandum of understanding, shall be read as modified and supplemented by the communication of March 31, 1983. The Fund finds that, in view of the

objectives of the extended arrangement for Brazil, no additional understandings are necessary concerning the modification of the multiple currency practices described under 2(a), (b), and (c) above.

4. In view of the circumstances of Brazil, the approval of Brazil's multiple currency practices granted under Decision No. 7350-(83/41), adopted February 28, 1983, is extended to the modifications of the multiple currency practices described under 2(a), (b), and (c) above and to prospective modifications in the multiple currency practices described under point 5 in the attached communication of March 31, 1983. The Fund approves the retention by Brazil of the exchange restriction involved in the imposition of minimum financing requirements for certain categories of capital goods and replacement parts imports described in EBS/83/77, until August 30, 1983, or the completion of the first review under the extended arrangement, whichever is the earlier.

To: The Acting Managing Director Date: March 31, 1983

From: Alexandre Kafka

Subject: Brazil - Request for Waiver and Modification, and Approval

I have been asked by my Brazilian authorities to bring to your attention certain changes in exchange arrangements, already made or to be made shortly, which are in line with the spirit of the program but will require a waiver and a modification of the performance criterion specified in paragraph 4(d)(ii) of the extended arrangement for Brazil approved by the Executive Board on February 28, 1983. These changes are:

1. On March 10, 1983 the tax on the export of soybeans and certain soybean by-products was reduced to 5 per cent for shipments under export licenses issued between March 15 and March 31, 1983; the tax will be eliminated for shipments under licenses to be issued on and after April 1, 1983.

2. On March 10, 1983 the financial transactions tax (IOF) was reduced from 25 per cent to 15 per cent for a specific list of commodity imports and reduced from 25 per cent to 12 per cent for the same commodity imports from LAFTA/ALADI countries.

3. On March 14, 1983 the taxes on the export of certain minerals were reduced to 10 per cent, 8 per cent, and 0 per cent, depending on product category and the date of issuance of the corresponding export licenses; for products shipped under export licenses issued after April 14, 1983, the applicable taxes will be reduced by 1 percentage point per 30-day period until their complete elimination.

4. Because of countervailing duties that may be imposed on certain imports from Brazil into the United States, my Brazilian authorities will be introducing export taxes offsetting various subsidies on steel bar and rod products on March 31, 1983, on frozen concentrated orange juice on April 30, 1983, and on tool steel on May 1, 1983. These taxes will be applied pending the elimination of the export subsidy (credito premio) as contemplated under the program.

5. Furthermore, my Brazilian authorities intend to effect reductions in the rates of export taxes introduced after the devaluation of February 21, 1983. These reductions will be on a product-by-product basis pending the elimination of these taxes in accordance with a time schedule to be established by the time of the program review to take place before August 30, 1983. In view of the numerous reductions likely to be made, my authorities propose to reach such modified understandings with the Fund that would permit making these reductions without need of approval or waiver on each occasion by the Executive Board during the first year of the program.

My authorities consider that the measures listed above are technical adjustments of existing practices which are consistent with the objectives of the program supported by the Fund. As we mentioned in paragraph 9 of our letter of February 24, 1983, the intention continues to be to pursue policies that will ensure the achievement of the balance of payments targets and objectives that had been established, and which will permit the liberalization of the trade system and the elimination of multiple currency practices and exchange restrictions during the period of the extended arrangement.

Accordingly, my authorities request a waiver of the performance criterion set out in paragraph 4(d)(ii) of the extended arrangement, for the measures described in (1), (2), and (3) above, and a modification of the understandings as regards the export taxes described in (4) above, and the prospective reductions in other export taxes as described in (5) above, during the first year of the program.

Moreover, they request that the approval of the multiple currency practice granted by the Executive Board on February 28, 1983 be extended to the modifications described in (1), (2), (3), and (5) above during the period stated in the approval. Also they request the approval of the exchange restriction involved in the imposition by Brazil of minimum financing requirements for certain categories of capital goods and replacement part imports, in view of the staff's finding that this measure which was introduced before the extended arrangement, constitutes an exchange restriction.

RESOLUTION NO. 767

Diário Oficial, 10/7/82

The CENTRAL BANK OF BRAZIL, pursuant to Article 9 of Law No. 4595 of 12/31/64, announces that the NATIONAL MONETARY COUNCIL, at a meeting held today, having regard to Article 4(V) of said law,

RESOLVED:

I. The imports with exchange cover specified below, carried out by natural or juridical persons, for their own use or resale, effected under an import certificate or equivalent document issued on or after the effective date of this Resolution, may be authorized by the Foreign Trade Department of Banco do Brasil, S.A. (CACEX) only if the following minimum terms for payment abroad are met:

(a) Machinery, equipment, devices, instruments, vehicles, ships, vessels, and aircraft:

<u>Estimated value of imports during calendar year (f.o.b., US\$ or equivalent in other currencies).</u>	<u>Minimum payment period (years)</u>
from 100,001 to 300,000	3
from 300,001 to 1,000,000	5
over 1,000,001	8

(b) Parts, pieces, components, and accessories for maintenance, assembly, and repair, and manufactured durable consumer goods:

Minimum payment period: 1 year

(c) Other goods:

Minimum payment period: 180 days;

(d) Each importer is allowed an annual allowance of up to US\$100,000 (one hundred thousand dollars) or equivalent in other currencies, exempted from the minimum periods above.

II. The terms set forth above shall not apply to imports:

(a) effected under a foreign financing for which an authorization or registration certificate was issued by the Central Bank prior to the effective date of this Resolution or which includes a clause specifically stating that the financing was submitted to the Central Bank for approval prior to that date;

(b) intended to replace damaged or lost goods and paid for with funds from compensation received in foreign currency up to the amount of such funds received;

(c) carried out by Empresa Itaipu Binacional;

(d) carried out directly by:

- scientific, educational, or social welfare institutions;
- permanent diplomatic missions and consular offices and their personnel;
- permanent offices of international or regional organizations of which Brazil is a member, and their foreign employees, experts, technicians, and consultants, who shall enjoy the same customs privileges as are granted to the diplomatic corps as long as they are assigned in the country;

(e) of replacement and repair materials for use in foreign vessels and aircraft, provided they are covered by Decree No. 83061 of 1/22/79;

(f) of devices, motors, reactors, parts and accessories for aircraft, imported by a specialized firm or work shop and demonstrably intended for maintenance and repair of aircraft or components thereof, and equipment, devices, instruments, machinery, special tools, and specific materials essential to the performance of said services, provided they are covered by Decree No. 83061 of 1/22/79;

(g) of parts, pieces, and other materials for maintenance and repair of aircraft, radio personnel training equipment, communication instruments and materials, ground equipment, and flight safety equipment, materials for use in aircraft maintenance and repair shops at airports, bases, and hangars, imported by domestic enterprises holding scheduled air routes, by regularly operating air clubs deemed of public utility, and by firms providing air charter services, provided they are covered by Decree No. 83061 of 1/22/79;

(h) of equipment and technical materials intended for aerial survey operations, imported by wholly domestically owned enterprises engaged in related activities, in accordance with the specific legislation on aerial surveying;

(i) of devices, motors, reactors, pieces, parts, and accessories for aircraft, as well as equipment, devices, instruments, machinery, special tools, and specific materials essential to the manufacture of aircraft;

(j) of special devices intended for the modification of vehicles to permit their use by paraplegics or physically handicapped persons unable to use normal vehicles, as well as parts, pieces and components thereof for manufacture in the country, provided they are covered by Decree No. 67374 of 10/13/70;

(l) of orthopedic devices of any type or material, intended for the repair of parts of the human body and acquired by individuals for their own use or by social welfare institutions registered with the relevant government agency, as well as parts, pieces and components thereof for manufacture in the country, provided they are covered by Law No. 2603 of 9/15/55;

(m) of electronic devices such as "pacemakers" and "neurostimulators," to be prosthetically implanted in the human body to control the heartbeat rate (including the electrodes) and to stimulate the brain and other central nervous system structures, respectively, as well as parts, pieces and components for manufacture thereof, provided they are covered by Decree-Laws Nos. 1119, 1389, and 1622, of 8/11/70, 1/21/75, and 4/18/78, respectively;

(n) authorized by the National Council for Scientific and Technological Development (CNPq), of equipment, devices and instruments for which no satisfactory domestic equivalent exists and which are demonstrably essential to the carrying out of research in sectors deemed to be priority sectors by the Third Basic Plan for Scientific and Technological Development, when intended for use at universities, official research institutions, or domestically owned enterprises;

(o) carried out by juridical persons under the drawback or compensating system, as well as those entering the country at an offshore processing zone for reexport directly or as part of other goods;

(p) carried out with payment to be charged against funds arising from:

1. investments registered in the Central Bank, with respect to receipts in foreign exchange effected on or after 9/25/80, subject to waiver of CACEX's review under the headings of satisfactory domestic equivalent, merit, adequacy, and destination of the goods to be imported;

2. loans in foreign exchange contracted on or after 9/25/80, whose registration certificates state that said imports are intended to meet the requirements of Resolution No. 638 of 9/24/80 or of this Resolution, subject to waiver of CACEX's review under the headings of satisfactory domestic equivalent, merit, and adequacy of the goods to be imported;

(q) of products originating in and shipped from member countries of the Latin American Integration Association (ALADI), provided they are listed in the following instruments: Brazilian National List, if the goods originate in and are shipped from Argentina, Chile, Uruguay, Paraguay, or Mexico; List of Nonextensive Privileges granted to Paraguay and Uruguay; Partial Scope Agreements signed between Brazil and Bolivia, Colombia, Ecuador, Peru, and Venezuela; Industrial Complementation Agreements to which Brazil is a signatory; and also those imports originating from Uruguay under the Brazil-Uruguay Trade Expansion Protocol;

(r) carried out through the Manaus Free Zone, whose transfer to other parts of the national territory is prohibited under Article 37 of Decree-Law No. 1455 of 4/7/76;

(s) carried out by a direct government agency;

(t) carried out by firms publishing books, newspapers, and periodicals, if for their own use;

(u) of paper for printing of books, newspapers, and magazines, carried out by commercial firms supplying publishing houses for the use of the latter.

III. The payment periods set forth in item I shall not apply to the portion owed as down payment, within the ceilings permitted by CACEX and up to 10 per cent of value of imports.

IV. In exceptional cases of duly proved urgency, the Minister of Finance may authorize imports that do not comply with the provisions of this Resolution.

V. Imports financed with payment periods of up to 2 years are exempt from the authorization by and prior registration with the Central Bank referred to in Resolution No. 355 of 12/2/75, and the Central Bank shall inform CACEX concerning permissible financing terms. Once the import has been carried out, the party concerned must apply for the relevant registration at the Central Bank within 30 days from the date of issue of the pertinent Import Declaration.

VI. The provisions of this Resolution shall also apply to such imports as are effected without an import certificate or equivalent document issued by CACEX.

VII. Resolution No. 638 of 9/24/80 and Circulars Nos. 574 and 584 of 10/22/80 and 12/3/80, respectively, are revoked.

VIII. The Central Bank shall issue such rules as are necessary for the execution of this Resolution.

IX. This resolution shall enter into force on the date of its publication.

Brasília (DF), October 6, 1982.

Carlos Geraldo Langoni, President

FROM: CENTRAL BANK OF BRAZIL
BRASILIA, DF

TO: INTERNATIONAL MONETARY FUND
WASHINGTON, USA

3/15/83

In reply to your request, we retransmit below the texts of resolutions No. 807 and No. 808.

Resolution No. 807

The Central Bank of Brazil, pursuant to Article 9 of Law No. 4595 of 12/31/64, announces that the National Monetary Council, at a meeting held today, having regard to the provisions of Article 4(v) and (xxxi) of said Law and based on the provisions of Article 10 of Law No. 5143 of 10/20/66 and Decree-Law No. 1783 of 4/18/80 as amended by Decree-Law No. 1844 of 12/30/80,

Resolved:

I. Item III of Resolution No. 84 of 1/3/68 shall henceforth read as follows:

"III. Sales of foreign exchange to meet the personal expenses of travelers abroad shall be subject to the following limits and conditions:

(a) US\$1,000 or its equivalent in other currencies, for delivery in the form of banknotes, travelers checks, or payment orders in favor of the buyer/traveler himself;

(b) US\$500 or its equivalent in other currencies in the case of travel to South American or Central American countries or trips stopping over and including an initial stay in any of such countries, for delivery in the form of banknotes, travelers checks, or payment orders in favor of the buyer/traveler himself;

(c) 50 per cent of the amount mentioned in (a) or (b) above, as applicable, in the case of sales to children less than 12 years of age;

(d) no sales of foreign currency may be effected in favor of children under two years old;

(e) for all travel other than official travel, travel on behalf of financial institutions, commercial, industrial and other enterprises, and travel for purposes of medical treatment--i.e., for tourist or recreational travel--a period of not less than 180 days must be observed between any two successive purchases of foreign currency to meet the expenses of the same person traveling abroad."

II. The purchase of foreign exchange for monthly personal remittances in an amount of up to US\$300 or its equivalent in other currencies is hereby restricted to cases of transfers in favor of residents of Brazil who are abroad temporarily, pursuing educational programs certified by the Ministry of Education and Culture or the National Council for Scientific and Technological Development (CNPQ), or for purposes of medical treatment.

III. Exporting enterprises registered with the Foreign Trade Department of Banco do Brasil, S.A. (CACEX) continue to be allowed to purchase annually up to US\$20,000 or the equivalent in other currencies to cover the representation expenses of their directors or staff traveling abroad. This allowance shall apply to those enterprises whose exports during the twelve months immediately preceding their accreditation for the purpose by the Central Bank had a foreign-currency value of not less than the equivalent of US\$200,000.

IV. As an exception, exchange operations may be permitted in excess of the limits and under conditions other than those set forth in this Resolution, subject to prior authorization from the Central Bank, which shall take into account the opinion of pertinent official agencies.

V. The Central Bank may adopt such measures as are deemed necessary to implement this Resolution.

VI. This Resolution shall enter into force on the date of its publication, and Resolution No. 734 of 4/28/82, No. 760 of 9/14/82, and No. 764 of 9/22/82 are hereby revoked.

Brasilia, DF, March 10, 1983
Carlos Geraldo Langoni, President

Resolution No. 808 *

The Central Bank of Brazil, pursuant to Article 9 of Law No. 4595 of 12/31/64, announces that the National Monetary Council, at a meeting held today, having regard to the provisions of Law No. 5143 of 10/20/66, Law No. 5172 of 10/25/66, and Decree-Laws No. 1783 of 4/18/80 and No. 1844 of 12/30/80,

*Annex to Resolution No. 808 of 3/10/83 is available in the office of the Secretary, Ext. 72943.

Resolved:

I. To reduce to zero the rate of the financial transactions tax (imposto sobre operações de crédito, câmbio e seguro, e sobre operações relativas a títulos e valores mobiliários)--referred to in the said Decree-Law No. 1783 of 4/18/80 and in Resolution No. 619 of 5/29/80 and its complementary regulations--applicable to the settlement of foreign exchange transactions for payment of imports of the following products:

<u>Brazilian Nomenclature of Goods (NBM)</u>	<u>Product</u>
27.01.01.00	Unworked coal, in bulk or powder form
28.42.15.01	Sodium carbonate neutral (Solvay salt).

II. To reduce to 15 per cent the rate of the said tax applicable to the settlement of foreign exchange transactions for payment of imports of the products included in the list annexed to this Resolution.

III. To reduce to 12 per cent the rate of the said tax applicable to the settlement of foreign exchange transactions for payment of imports of the products listed in the said annex and carried out under tariff concessions negotiated or to be negotiated in any of the tariff relief mechanisms within the scope of LAFTA/ALADI (Latin American Free Trade Association/Latin American Integration Association), provided they originate in and are shipped from member countries which are beneficiaries of the concession.

IV. The rate reductions mentioned above shall apply exclusively to exchange transactions contracted on or after the effective date of this Resolution for payment of imports of the said kinds of products.

V. The Central Bank may adopt such measures as are deemed necessary to implement this Resolution.

VI. This Resolution shall enter into force on the date of its publication.

Brasilia, DF, March 10, 1983
Carlos Geraldo Langoni, President

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FROM: CENTRAL BANK OF BRAZIL
TO: INTERNATIONAL MONETARY FUND (INTERFUND)

Resolution No. 811*

The Central Bank of Brazil, pursuant to Article 9 of Law No. 4595 of 12/31/64, announces that the National Monetary Council, at a meeting held today, having regard to the provisions of Article 4(v) and (xxxi) of said Law and Decree-Law No. 1578 of 10/11/77,

Resolved:

I. To change the Annex to Resolution No. 801 of 3/3/81, replacing it with the list now (annexed) hereto.

II. The 5 per cent rate of the tax on exports of soya beans (Brazilian Nomenclature of Goods (NBM) 12.01.04.00), soya bean oils, crude, refined or purified (NBM 15.07.01.01 and 15.07.02.01) and oil cake and other residues resulting from the extraction of soya oils (NBM 23.04.05.00) shall apply to shipments effected under export certificates or equivalent documents to be issued or formalized by the Foreign Trade Department of Banco do Brasil, S.A. (CACEX) through 3/31/84 and shall be reduced to zero from 4/1/84.

III. The rates of the tax on exports of hematite (NBM 26.01.01.01), manganese ore and concentrates (NBM 26.01.15.00) and itabirite (NBM 26.01.01.02), shown on the list annexed hereto shall apply to shipments effected under export certificates or equivalent documents issued or formalized by CACEX through 4/14/83 and shall be reduced by one percentage point in each successive period of 30 calendar days from 4/15/83.

IV. The 13 per cent rate of the tax on export of cocoa beans, whole or broken, raw or roasted (NBM 18.01.00.00) shall be reduced by one percentage point in each successive period of 30 calendar days from the effective date hereof. Once the rate of 5 per cent is reached, it shall remain in effect through 3/31/84 and shall be reduced to zero from 4/1/84.

V. The 10 per cent rate of the tax on exports on cocoa shells, husks, skins and waste (NBM 18.02.00.00), cocoa paste (in bulk or in block), whether or not defatted (NBM 18.03.00.00), cocoa butter (fat or oil) (NBM 18.04.00.00) and cocoa powder, unsweetened (NBM 18.05.00.00) shall be reduced by one percentage point in each successive period of 30 calendar days from the effective date hereof. Once the rate of 2 per cent is reached, it shall remain in effect through 3/31/84 and shall be reduced to zero from 4/1/84.

VI. The rate reductions referred to in paragraphs III, IV and V shall apply exclusively to shipments of products of the kinds mentioned therein

which are effected under export certificates or equivalent documents issued or formalized by CACEX within each of the applicable 30-day periods mentioned.

VII. The provisions of this Resolution shall apply to exports effected under export certificates or equivalent documents issued or formalized by CACEX from the effective date hereof, subject to compliance in all other respects with the provisions of Resolution No. 799 of 2/18/83 and supplementary regulations.

VIII. The Central Bank may adopt such measures as are deemed necessary to implement this Resolution.

IX. This Resolution shall enter into force on the date of its publication, and Resolution No. 800 of 2/22/83, No. 801 of 3/3/83, No. 809 of 3/14/83 and No. 810 of 3/16/83 are hereby revoked.

Resolution No. 812 *

The Central Bank of Brazil, pursuant to Article 9 of Law No. 4595 of 12/31/64, announces that the National Monetary Council, at a meeting held on 3/29/83, having regard to the provisions of Article 4(v) and (xxxi) of said Law and Decree-Law No. 1578 of 10/1/77,

Resolved:

I. To change the Annexes to Resolution No. 798 of 2/10/83, replacing them with the lists now annexed hereto.

II. The provisions of this Resolution shall apply to exports effected under export certificates or equivalent documents issued or formalized by the Foreign Exchange Department of Banco do Brasil, S.A. (CACEX) during the period from 3/31/83 through 4/30/85, subject to compliance in all other respects with the provisions of said Resolution No. 798 of 2/10/83.

Brasilia, DF, March 30, 1983
Carlos Geraldo Langoni, President

*Annexes to Resolutions Nos. 811 and 812 are available in the office of the Secretary, Ext. 72943.