CORPORATE
& MERGERS AND ACQUISITIONS

CLIENT ALERT

MAY/2019

AMENDMENTS TO THE RULES ON MANDATORY PUBLICATIONS BY BRAZILIAN CORPORATIONS

Law No. 13,818 enacted on April 24, 2019, which amended Law 6,404, dated December 15, 1976 ("Brazilian Corporations Law"), was published in the Official Gazette on April 25, 2019, to decide on mandatory publications and to increase to R$10,000,000.00 (ten million Reais) the maximum amount of net equity required for closely-held corporations to enjoy the simplified regime of publication of corporate acts referred in Article 294 of the Brazilian Corporations Law.

The aforementioned legislation amended the wording of Article 289 of the Brazilian Corporations Law in order to provide that the publication of the corporate acts required by such Law may only be made, as of January 1st, 2022, in a widely-circulated newspapers published in the locality of the company's head offices, in a summarized format with simultaneous publication of the entire document on the website of the same newspaper on the internet. The authenticity of the documents published in full must be certified by an accredited certification authority duly registered under the Brazilian Public Keys Infrastructure (*Infraestrutura de Chaves Públicas Brasileiras - ICP – Brasil*). In the case of the financial statements, the summary publication shall contain, at least, a comparison with the data of the prior fiscal year, information or global amounts related to each group and the respective classification of accounts and registries, as well as excerpts from the material information in the relevant explanatory notes and in the reports of independent auditors and audit committee (if applicable).

Additionally, Article 294 of the Brazilian Corporations Law has also been amended in order to increase to R$10,000,000.00 (ten million Reais) the maximum amount of the net equity that closely-held corporations may have in order to enjoy the simplified regime of publication of corporate acts and convening of general meetings. Thus, the closely-held corporations with less than twenty (20) shareholders, with net equity in an amount up to R$10,000,000.00 (ten million Reais) may already convene general meetings by only giving a notice to all shareholders, cross-receipt, within the term provided in Article 124 and are exempted from publishing the documents provided in Article 133, both of the

PRACTICE AREA

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COORDINATION

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For further information, please send a message to **news@veirano.com.br**

This document was prepared exclusively for informational purposes and does not constitute legal advice or an invitation to an attorney-client relationship. If you have any questions, our lawyers are available for clarification.

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Brazilian Corporations Law, provided that certified copies of referred documents are filed with the competent Board of Trade together with the minutes of the meeting which has decided on such documents.

We remain available for any clarification on this matter.

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