Brazil

Post: Sao Paulo ATO

Market Access Brief for Bread and Cookies

Report Categories:
Market Development Reports

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Report Highlights:
U.S. exporters often reach out to our office with questions about market access and Brazil’s import regulations, finding legislation confusing and not transparent. To bring a bit more clarity, ATO Sao Paulo prepared a series of Market Access Briefs by product category. These briefs are intended to serve as a guide for each step of the export process from formula study and label development to shipping and final customs clearance. ATO Sao Paulo also assigned a complexity level for each product category. The information contained in each brief was developed in concert with private consultants, importers, and customs agents.
I. Import Procedures for Bread and Cookies into Brazil

Level of complexity of importing bread and cookies into Brazil: Medium

1) Formula Study
Under the Brazilian legislation, regulators must maintain “positive” lists of ingredients approved for consumption. In addition, all food or beverage ingredients must meet government specifications and tolerance levels. The “Technical Regulation” provides the “Identity and Quality Standard” (PIQ) for any given product. This means that only specifically authorized products (including additives, colorings, preservatives, etc.) are allowed to enter the market. All imported bread and cookies must comply with Brazilian legislation. It is recommended to perform a compliance study to determine if the bread and cookie is in accordance to Technical Regulations (RT), limits of additives and food safety criteria. In case of non-compliance, the product must be adjusted to the requirements of the legislation.

Legislation:
- Technical Regulations (Food Standard)
  - RDC Resolution nº 263 of September 22, 2005
- Food Additives
c) Food Safety
   ▪ Contaminants
     - Decree nº 55,871 of March 26, 1965
     - SNVS/MS Ordinance nº 11 of May 15, 1987
     - SVS Ordinance nº 685 of August 27, 1998
     - RDC Resolution nº 42 of August 29, 2013
   ▪ Microbiology
     - RDC/ANVISA Resolution nº 12 of January 02, 2001
   ▪ Mycotoxins
     - RDC Resolution nº 7 of February 18, 2011
     - RDC Resolution nº 59 of December 26, 2013
     - RDC Resolution nº 138 of February 08, 2017
   ▪ Foreign Matter
     - RDC Resolution nº 14 of March 28, 2014
   ▪ Pesticide Residues
     - RE Resolution nº 165 of August 29, 2003

2) Product Registration (SISCOLE Compliance)
Bread and cookies are exempt from registration. The importer should regularize the product with ANVISA as soon as it arrives in Brazil, according to the provisions of ANVISA Resolutions nº 22 and 23 of March 15, 2000, and RDC Resolution nº 27 of August 06, 2010. See item 12.

3) Label Development
If the label of a product is not in Portuguese, it is possible to place an adhesive label containing all mandatory information in Portuguese over the original label. This label can be placed at origin or in Brazil, but always before its commercialization.
In general, the label and tag must contain the following information:
   a) Mandatory items in Front Panel
      ▪ Technical name, as defined in the specific Technical Regulations
      ▪ Brand
      ▪ Information about alcohol content
      ▪ Weight/volume indication – note the minimum height for figures and letters, according to the following table

<table>
<thead>
<tr>
<th>Net content (g or ml)</th>
<th>Minimum height of letters (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower than or equal to 50</td>
<td>2.0</td>
</tr>
<tr>
<td>Higher than 50 and lower than or equal to 200</td>
<td>3.0</td>
</tr>
<tr>
<td>Higher than 200 and lower than or equal to 1,000</td>
<td>4.0</td>
</tr>
<tr>
<td>Higher than 1,000</td>
<td>6.0</td>
</tr>
</tbody>
</table>
When the original package of the product does not show any indication of quantity in the main panel or shows dimensions or units in disagreement with those determined in the INMETRO Ordinance nº 157/02, such information should be inserted on the label before the product goes to the final consumer.

b) Other Mandatory items

- List of Ingredients
- Warnings (allergens, gluten, alcohol consumption and others)
- Origin Country
- Manufacturer data (name and complete address)
- Importer data (corporate name, complete address and CNPJ)
- Number of importer registration
- Expiration date
- Lot. Manufacturing date or expiration date can replace the lot
- Conservation care
- Instructions for use and preparation, as applicable
- Nutrition Information mandatory information that must be according to RDC Resolutions nº 359, 360/03 and nº 163/06. The Nutrition Facts should follow one of the ANVISA approved formats and provide mandatory information about:
  - energetic value
  - carbohydrate
  - protein
  - total fat
  - saturated fat
  - trans fat
  - dietary fiber
  - sodium.

Following is one of the approved formats for a nutrition facts table:

<table>
<thead>
<tr>
<th>NUTRITION FACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Serving... g or ... ml (household measure)</strong></td>
</tr>
<tr>
<td>Quantity per serving</td>
</tr>
<tr>
<td>Energetic value</td>
</tr>
<tr>
<td>Carbohydrate</td>
</tr>
<tr>
<td>Protein</td>
</tr>
<tr>
<td>total fat,</td>
</tr>
<tr>
<td>saturated fat,</td>
</tr>
<tr>
<td>Trans fats</td>
</tr>
<tr>
<td>dietary fiber, and</td>
</tr>
<tr>
<td>Sodium</td>
</tr>
</tbody>
</table>

* % Daily Values based on a 2,000-kcal or 8,400-kJ diet. Your daily values can be higher or lower, depending on your energy needs.

** Daily Value not established.

The Nutrition Facts must provide information per serving of the food, indicating its corresponding Household Measure. A serving is the average amount of food that should be consumed by healthy persons, with age above 36 months, at each consumption occasion, to allow a healthy diet. The term
Household Measure is the measure equivalent to the serving of food, obtained by using a utensil that is commonly employed by the consumer to measure food (for example, glass, cup, tablespoon and others). The RDC Resolution nº 359/03 determines the servings of each food and their corresponding household measures.

Legislation:

a) General Rules
   - Decree nº 55,871 of March 1965,
   - Law Decree nº 986 of October 21, 1969
   - RDC Resolution nº 259 of September 20, 2002

b) Net weight declaration
   - INMETRO Ordinance nº 157 of August 19, 2002

c) Nutritional labeling
   - RDC Resolution nº 359 and nº 360 of December 23, 2003

d) Warnings
   - Aspartame, Polyalcohols
     - SVS/MS Ordinance nº 29 of January 13, 1998
   - Tartrazine
     - RDC Resolution nº 340 of December 13, 2002
   - Gluten
     - Law nº 10,674 of May 16, 2003
   - GMO
     - Decree nº 4,680 of April 24, 2003
     - CC/PR/MJ/MS/MAPA Joint Normative Instruction nº 01 of April 1, 2004
     - MJ Ordinance nº 2,658 of December 22, 2003
   - Allergens
     - RDC Resolution nº 26 of July 02, 2015
   - Lactose
     - Law nº 13,305 of July 04, 2016
     - RDC Resolution nº 136 of February 08, 2017
   - Irradiation
     - Decree nº 72,718 of August 29, 1973
     - RDC Resolution nº 21 of January 26, 2001

e) Nutritional Claims
   - RDC Resolution nº 54 of November 12, 2012
   - RDC Resolution nº 3 of February 04, 2013

f) Food for Special Dietary Uses
   - SVS/MS Ordinance nº 29 of January 13, 1998
   - RDC Resolution nº 135 of February 08, 2017

(*) Except for nutritional claims and claims allowed for Foods for Special Dietary Uses, all information is mandatory, when applicable, and should be included in product labeling.
4) Exporter’s Pro Forma
The import operation begins after the commercialization of merchandise is agreed upon by the exporter and importer. For importation, a Pro-Forma Invoice must be created, a standard document used in international commerce, containing all information about the negotiation and details of purchased merchandise (product data, payment terms, transport mode and other data).

5) Issuance of an Import License (LI)
After accepting the Pro-Forma Invoice, the importer must check with SISCOMEX, using the NCM code of the product to be imported, to see if an Import License (LI) is required. The LI is one document issued electronically through SISCOMEX by the importer and approved by ANVISA to authorize the importation of the relevant product. When necessary, the LI is a document required to clear the product through Customs. The SISCOMEX system can issue an LI after the shipping of merchandise but before its arrival in Brazil. The importer or a person previously authorized to operate the SISCOMEX on behalf of the importer performs this procedure.
Legislation:
 RDC Resolution nº 81 of May 05, 2008
 SECEX/MDIC Ordinance nº 23 of July 14, 2011
 RDC Resolution nº 74 of May 02, 2016

6) Shipping Instructions
Before shipping, the importer has to provide the exporter with Shipping Instructions, consisting of information about the negotiation and terms of merchandise shipping, such as quantity of product, payment terms, the temperature of transportation, packaging, pallet, etc. Special note on pallets. Before shipping goods to Brazil, exporters should be aware of wood pallets and wood packaging regulations. Pallets must be in compliance with International Standards for Phytosanitary Measures N° 15 (ISPM 15) and have the International Plant Protection Convention (IPPC) stamp. For countries that have not adopted the ISPM 15 standards, the phytosanitary certificate may be substituted for the IPPC stamp, with an additional declaration on treatment records or the certificate of treatment stamped by the National Plant Protection Organization (NPPO). Wood pallets, both treated and untreated, are always inspected by MAPA. Inspectors will check for the presence of pests and may or may not release the cargo. Costs related to phytosanitary treatment or returning pallets/cargo to the country of origin will be the exporter/importers’ responsibility. The pallets made with different materials (cardboard, fibers, plastics, and others) and those made with industrialized or processed wood are exempt from these requirements.

The Shipping Instruction must also contain all documents to be submitted by the exporter to the importer:
 Certificate of Analysis and Certificate of Origin, issued by a laboratory or an entity of the country of origin contained in the list available on ANVISA Website.
 A commercial invoice containing following information:
  . complete name and address of exporter
  . full name and address of the importer
specification of merchandise, in Portuguese or the official language of the General Agreement on
Tariffs and Trade, or in another language, accompanied by a translation into Portuguese, at the
discretion of customs authority, containing own and commercial denominations, with an
indication of the elements that are indispensable for their perfect identification
mark, numbers and reference number of volumes, if any
quantity and type of volumes
gross weight of volumes, in other words, the burden of merchandise with all its containers,
packages and other wrappers
net weight, i.e., the weight of the merchandise free of every wrapping
origin country, the country where the production of merchandise or the last substantial
transformation occurred
acquisition country, the country of acquisition of the merchandise for exportation to Brazil,
indinently of the origin country of merchandise or inputs
source country, the country where the merchandise was at the time of acquisition
unit and the total price of each type of merchandise and the amount and nature of decreases and
discounts granted to the importer, if any
freight and other expenses referring to the merchandise specified in the invoice
payment terms and currency
term and condition of sale (INCOTERM)

- Packing List (declaration with details of imported products).
- Bill of lading - The exporter submits the Shipping Instructions to the shipping company,
containing the necessary information for the issuance of the bill of lading (Air Waybill (AWB),
Railway Bill (RWB) or Road Bill (CMR) or Marine Bill of Landing (B/L). The bill of lading is
the proof of shipping that is issued by the shipping company and contains all the details of
transportation.

Legislation:
- RDC Resolution nº 81 of May 05, 2008
- Decree nº 6,759 of February 05, 2009
- RDC Resolution nº 74 of May 02, 2016

7) Arrival of the Merchandise at the Port
When the merchandise arrives at the port, the cargo proceeds to the Bonded Warehouse (warehouse)
pre-designated by the importer. Otherwise, the cargo goes to the terminal with which the shipping
company has an agreement. After the proper placement of the merchandise, the terminal confirms and
generates a “Cargo Manifest,” in other words, the terminal informs the conditions of cargo receipt on the
SISCOMEX. The registration of the Import Declaration (DI) in the SISCOMEX is not possible without
the cargo manifest.

Legislation:
- RFB/MT Normative Instruction nº 797 of December 20, 2007
- RFB Normative Instruction nº 800 of December 27, 2007, and nº 1,473 of June 02, 2014
After the clearance of LI by ANVISA, the importer or authorized customs agent registers the Import Declaration (DI) with the SISCOMEX. The DI is a document containing all information about the importation.

- Importer data
- Cargo data
- Bonded warehouse data
- Merchandise data
- Negotiated payment terms
- Federal taxes (Import Tax (II), Industrialized Products Tax (IPI), Social Integration Tax (PIS), and Social Contribution Tax (COFINS) and antidumping rights, as applicable); federal taxes are automatically debited from importer or customs agent account
- State taxes – State Value Added Tax (ICMS); the ICMS is collected using the Form of State Collection (GAE), which is payable at any bank branch in Brazil. The Federal Revenue Service should receive the original payment evidence.
- Additional information, as the case may be (for example, authorized customs agent)
- The exchange rate of the negotiation currency, as determined by the Brazilian Central Bank
- A detailed description of merchandise, according to the LI and the commercial invoice

The cost for registration of a DI, according to SRF Normative Instruction nº 1,158/11 is of R$ 185,00 per DI, plus the cost of each merchandise added, which varies according to the number of additions. Cost of fee = R$185,00 + value referring to the number of additions of DI.

<table>
<thead>
<tr>
<th>Number of Additions</th>
<th>Value per Addition (R$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 2nd addition</td>
<td>29,50</td>
</tr>
<tr>
<td>From 3rd to 5th addition</td>
<td>23,60</td>
</tr>
<tr>
<td>From 6th to 10th addition</td>
<td>17,70</td>
</tr>
<tr>
<td>From 11th to 20th addition</td>
<td>11,80</td>
</tr>
<tr>
<td>From 21st to 50th addition</td>
<td>5,90</td>
</tr>
<tr>
<td>As of the 51st addition</td>
<td>2,95</td>
</tr>
</tbody>
</table>

Legislation:
- SRF Normative Instruction nº 680 of October 02, 2006
- SRF Normative Instruction nº 1,158 of May 24, 2014

8) Physical review by ANVISA Authority
a) Checking and release of cargo by ANVISA inspector
After the issuance of the LI through SISCOMEX, the exporter requests its approval by ANVISA. The ANVISA Website provides the necessary application for the Petition for Sanitary Inspection and Release. After filing this petition, the exporter pays a federal tax for the importation of products under
the responsibility of ANVISA using the Federal Collection Form (GRU). The access to the electronic system of petitions and collection depends on a previous registration of importer through the Internet on ANVISA electronic address, and a personal, confidential, and non-transferable password. Once ANVISA approves the LI, the imported product is released by that Agency and goes through a clearance procedure required by the Federal Revenue Service.

b) Import Tax - ANVISA
The importer makes the electronic registration through an electronic form provided by ANVISA and filled with basic company’s information. Upon this registration on the ANVISA Website, the importer or customs agent requests the Electronic Petition for Sanitary Inspection and Release on the site, and provides information about the imported merchandise, the quantity of imported merchandise and the bill of lading.

When the electronic petition is complete, the Federal Collection Form (GRU) is generated for the payment by the interested party upon direct debit in a bank account, electronic means or at any bank branch. The amount of the fee varies according to the number of imported items and the size of the company. After the payment of this tax, the ANVISA inspector performs a physical checking of the product, collecting a sample for analysis. According to RDC Resolution nº 81 of May 05, 2008, only the products subject to the LI require this procedure.

The amount of the fee varies according to the number of imported items and the size of the company:

<table>
<thead>
<tr>
<th>IMPORTED MERCHANDISE</th>
<th>VALUE OF FEE ACCORDING TO COMPANY SIZE (R$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GROUP I</td>
</tr>
<tr>
<td>Importation of a maximum of ten (10) items of goods, products, raw material or inputs.</td>
<td>177,92</td>
</tr>
<tr>
<td>Importation of eleven (11) to twenty (20) items of goods, products, raw material or inputs.</td>
<td>354,58</td>
</tr>
<tr>
<td>Importation of twenty-one (21) to thirty (30) items of goods, products, raw material or inputs.</td>
<td>531,87</td>
</tr>
<tr>
<td>Importation of thirty-one (31) to fifty (50) items of goods, products, raw material or inputs.</td>
<td>1.772,90</td>
</tr>
<tr>
<td>Importation of fifty-one (51) to one hundred (100) items of goods, products, raw material or inputs.</td>
<td>3.545,80</td>
</tr>
</tbody>
</table>

Legislation:
Law n° 9,782 of January 26, 1999
RDC Resolution n° 222 of December 28, 2006
RDC Resolution n° 81 of May 05, 2008
MF/MS Interministerial Ordinance n° 45 of January 27, 2017
RDC Resolution n° 74 of May 02, 2016

9) **Federal Revenue Parameterized Selection**
After the registration of DI, the Federal Revenue Service performs the parameterization in the SISCOMEX. The system performs the parameterization, and selects one of following channels:
- Green Channel: exempts examination of documents and review of merchandise, and the release occurs in about one (01) day.
- Yellow Channel: only the review of records is required, and the release of merchandise takes place in about two (02) days.
- Red Channel: in addition to a review of documents, merchandise must be physically examined, and the release of the product takes place in about four (04) days.
- Gray Channel: this is a special customs control channel, and it may take more than 60 days after parameterization.

The parameterization process must conclude within the periods set forth, and after all correct documents for customs clearance are provided according to MAPA Normative Instruction n° 55/06:

Legislation:
- RDC Resolution n° 81 of May 05, 2008
- Decree n° 6,759 of February 05, 2009

10) **How to regularize the product?**
a) Exemption of registration
The exporter files the Communication of Product Import (CIP) with the Health Department of the City of the location of the warehouse, for the regularization and commercialization of the products under the responsibility of ANVISA that do not require registration. CIP is one of the documents provided to the Sanitary Authority to release the merchandise. Therefore, it is filed before the arrival of merchandise, or even on the date of arrival, but not earlier than ten (10) days before the arrival.
The CIP is filled out by the importer, signed by the Legal Representative of the company, and is accompanied by a copy of the Operating License of the warehouse and registered in two (02) copies.
The CIP contains the following information:
- importer data (corporate name, complete address, CNPJ, telephone and e-mail address),
- warehouse data (legal name, complete address, CNPJ, telephone and e-mail address),
- date of product import,
- date of product commercialization start,
- category of food, according to RDC Resolution n° 27 of August 06, 2010,
- the technical name of the product,
- brand,
- package material,
- expiration,
- commercial perspective (local, state, national or export),
- name of the manufacturer, and
- origin country.
After registration of product CIP, within a maximum period of thirty (30) days after the date when product commercialization started, the Request of Control Analysis (SAC) should be registered with that Local Health Department. The Control Analysis is an instrument available to the Sanitary Surveillance to check if the product is according to Brazilian legislation and information contained in product CIP. The following information is required to fill out the SAC:

- category of food, according to RDC Resolution nº 27 of August 06, 2010,
- the technical name of the product,
- product brand, and
- warehouse data for the collection of the sample (corporate name, complete address, CNPJ, name, telephone and e-mail address).

The SAC has three (03) copies, signed by the Legal Representative and the Responsible Technician of the company, accompanied by three (03) copies of product formula, three (03) copies of the product label or tag in Portuguese, and one (01) copy of CIP Protocol. The interested importer prepares the CIP and SAC, and a skilled third party may be hired to help. There are no sanitary fees for this procedure.

The legal sanitary procedures required from the company to commercialize the product finish with the registration of CIP and SAC.

b) Phenylalanine content
The importers are required to inform ANVISA about the phenylalanine content of imported products. Legislation:

- ANVS/MS Resolution nº 22 and 23 of March 15, 2000
- RDC Resolution nº 27 of August 06, 2010
- RDC Resolution nº 19 of May 06, 2010