

German Desk in Brazil

*Your trusted partners
for cross-border
businessGerman
Investments in Brazil*



German Investments in Brazil

Germany has been a trading partner and investor in Brazil for a long time. The first German Chamber of Commerce was established in 1916 in Rio de Janeiro, at the time the Capital City of Brazil. A major portion of the large traditional German groups have set up subsidiaries in Brazil in the first half or around the middle of the last century, such as Bayer, BASF, Siemens, Volkswagen, Daimler, Thyssen-Krupp and many others.

Over the last 50 years, many small and middle-sized German automotive suppliers invested in Brazil at the request of the German OEMs and many engineering, equipment and logistics companies followed.

Sao Paulo is the largest German industrial city in the world, as per statement by the German Chamber of Commerce.

There is no doubt that Germany is one of the most important investing countries in Brazil. Since a significant portion of investments is made through subsidiaries established in other countries like Belgium, Switzerland and Austria, the four countries together invested USD 29 billion from 2010 to 2014 in Brazil, which represents nearly 10% of the total investments, and we consider that a significant portion therefore originated from German investors.

German investments have been made in a wide variety of industries, basically reflecting the strength of the German export industry for goods and services. Consequently, automotive, equipment (such as transportation, medial, energy, environmental, security and measuring), pharmaceutical, chemical and logistics are among the most active industries.

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We speak your language

PwC is present in 158 territories and have over 236.000 professionals in the areas of Assurance, Advisory and Tax Consulting. PwC has been conducting business in Brazil since 1915 and currently has 17 offices in the major regions of the country with 160 partners and approximately 4 thousand professionals.

We understand that German companies have their own culture and strategies to conduct business. It is precisely for this reason that we have established, together with PwC Germany, the German Desk in Brazil, which is dedicated to serve and provide tailored services to German companies operating in Brazil or planning to enter the Brazilian market.

The services provided by our German Desk are distinctive because of the following:

- We have a strong global network, and PwC is one of the leading professional firms in Germany. Through the Network of German Business Groups, which currently comprises 24 groups worldwide, we have the ability to leverage and share information in relation to German clients that are present in Brazil to ensure that high quality services are provided meeting their particular needs;
- We are able to communicate in German. We have dedicated native German speaking professionals with working experience in Germany and Switzerland who can communicate in German, English and Portuguese who have a deep understanding of the German business culture. In addition, the German desk has experienced professionals that have been seconded to PwC Brazil from Germany, who are key to ensure our strong ties with PwC Germany and who have played a significant role in leveraging on relationships that PwC Germany has with German companies to develop businesses and winning projects in Brazil;
- In addition to the above, each of the dedicated professionals in the German desk have their own area of expertise in specific services so that they are able to personally manage and coordinate services for German companies in Brazil;
- In Brazil, PwC is the largest and most renowned audit firm in the market, providing Assurance, Advisory and Tax Consulting services; and
- PwC Brazil is comprised of professionals specialized by line of service and industry, ensuring the delivery of specialized services by professionals with deep market knowledge.

How PwC can help

The Brazilian market has become a focus for investment opportunities by German companies. Potential investors may seek support from PwC on their business opportunities, considering the following facts:

- PwC is aware of the cultural differences and the way business is conducted in Germany. PwC German Business Group (German Desk) understands these differences;
- German companies usually make long-term investments, as they believe in the potential of the Brazilian market, given of the Brazilian consumer market, population growth and credit expansion, among other factors;
- Brazil has important natural resources which represent relevant opportunities in fields such as renewable energy, oil and gas and agribusiness;
- Major opportunities will arise in the next few years in the areas of infrastructure (ports, airports, high speed railways and metropolitan transportation);
- The complex tax system and labor legislation in Brazil require that foreign companies have professional assistance to enter the local market;
- The same is valid with respect to the significant accessory obligations, especially related to the requirements to deliver very extensive electronic data on accounting, tax and payroll data to the Brazilian tax authorities, to issue and receive invoices in electronic format and to maintain the related records; and
- Due to trade barriers imposed on certain areas (such as the auto industry), foreign companies need to establish their own manufacturing bases in Brazil to remain competitive in the local market.



In addition, new challenges of the international business markets require new solutions. For this reason we created the German Desk, a group specialized in supporting German clients that conduct businesses in Brazil.

We use the multicultural makeup of our staff and complete and specialized knowledge of the German culture in the German Desk, operating together with PwC Germany. Therefore, we are prepared to provide support both to German companies investing in Brazil as well as Brazilian companies interested in investing in the German market.

We offer our clients complete solutions for effective operations in the Brazilian market which are solid, sustainable and effective. We count on qualified specialists and methodologies consolidated in the marketplace which give our clients security and contribute to the success of their operations.

In Brazil our assurance, advisory and tax consulting teams have years of experience and dedicated professionals in 19 different industry segments. With complete and integrated solutions, we assist in improving our clients' performance by promoting operational, financial, organizational and human capital excellence as well as information technology (IT) management, sustainability, governance, risks and compliance improvements.

Our German Desk team consists of over 50 professionals, with extensive experience in the Brazilian and international markets



Assurance

We have staff specialized in risk management services for every area and industrial segment. Our global standard audit services (assurance) are performed by experienced professionals auditing, not only statutory financial statements but also auditing financial statements prepared according to International Financial Reporting Standards (IFRS) and with complete command of generally accepted accounting principles in the United States (US GAAP) as well as Germany (HGB). Among the main assurance services are:

- Financial Statements:
 - Statutory financial statement audit;
 - IFRS financial statement audit;
 - US GAAP financial statement audit;
 - Consolidation package audit;
 - HGB Financial Statement Audit;
- Internal controls audit (US-SOX, J-SOX etc.);
- Systems audit;
- Internal Audit;
- Actuarial Services;
- Risk, controls and compliance services;
- Data Analytics;
- Sustainability;
- Other discretionary audits; and
- Capital Markets & Accounting Advisory Services.

Tax Consulting

We offer support in preparing annual corporate and individual income tax returns, consulting on related questions with tax due diligence and management of tax risks. PwC's global network also allows us to offer services on foreign taxes, transfer pricing, mergers and acquisitions and financing restructuring. The main services offered in this area are:

- Tax compliance (including accessory obligation);
- Tax planning;
- Transfer price consulting;
- Tax incentives;
- Tax optimization
- Corporate income tax;
- Labor and social security compliance; and
- Individual income tax.

Mergers & Acquisitions and Finance Restructuring (Transaction Consulting)

Our team consists of over 300 professionals, with extensive experience in transactions in the Brazilian and international markets, who can offer full support in the analysis and performance of transactions involving business mergers, acquisitions, sales and financial and operational restructuring.

We support the preparation and definition of strategies and the analysis of the risks involved, as well as the performance of full due diligence (corporate, tax, financial and operational due diligence). Business valuation and capture of synergies and gains enable value creation through transaction and negotiation strategies and acting directly in negotiations with stakeholders (creditors, stockholders

and other stakeholders). We continue by supporting the implementation of the related changes with a view to realizing the gains expected from the transaction.

Business and management consulting services

We offer financial, economic and strategic consulting on complex issues related to the business of our clients. In this area, the principal services are:

- Strategy;
- Finance;
- Operations;
- Information technology - Strategy and Security;
- People, Organization and Changes - Human Resources Consulting;
- Brazilian/German Social Security Treaty;
- Corporate risk management and compliance;
- Forensics;
- Corporate Governance;
- Project management;
- Organizational development;
- Business process consulting;
- Management of risk value;
- Digital Strategy;
- Treasury; and
- Cost optimization.

Our publications

We support the operation and development of German companies in Brazil.
Our knowledge is also disseminated in our publications.

“Doing business in Germany”

“Doing deals in Brazil”



Contacts

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(DC0) Public Information

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