



Tax Intelligence

From complexity to execution



Brazil's VAT Reform

June 6, 2024 | 33th Edition

Holistic approach to risk management to achieve value

The discussions of the Complementary Bill (PLP) No. 68/2024, which aims to regulate the Tax Reform, begun with public hearings in the Working Group (GT) created by an act of the Chamber of Deputies President.

Recently, on June 5, the Federal Government officially released the Complementary Bill (PLP) No. 108/2024, which seeks to regulate the administration and management of the Tax on Goods and Services (IBS) the discussions for this bill are expected to occur in another specific GT.

In due course, we will discuss this new PLP in another Tax Intelligence (TI). The Government's initial expectation was that the regulation of the Reform would be approved in Congress before parliamentary recess. However, it is now acknowledged that an approval may continue until the end of 2024.

Takeaways

In parallel with the attention that must be given to the approval process of the complementary laws, now is the time to identify and evaluate in detail the impacts and strategically plan the best way to achieve value from the Reform which can and should be considered as a challenge of adaptation and agility, as well as a great opportunity for establishing competitive advantages in both domestic and external environments.

As we have had the opportunity to discuss in other Tax Intelligences, such advantages can be enabled through a holistic approach to risk management that can be converted into opportunities, supported by technology and predictive data analysis in an integrated manner, including with ChatPwC, our exclusive generative AI.

Transformation Journey

The next nine years will require a transformation in several business areas and will be deeply connected with technology, as some illustrative examples which need to be complemented case-by-case as follow:

Economic Modeling and Tax Intelligence	Organizational Strategy	Resilience and Risk Factors	Corporate and Operational Structure	Performance Indicators and Strategic Communications
<ul style="list-style-type: none"> Measurement of fiscal impacts with efficient use of data and technology Ideal timing and method for transitioning structures anchored in tax benefits Reasoning on Tax Reform aspects 	<ul style="list-style-type: none"> Specific aspects of the segment Business case viability on the light of the Tax Reform Governance required for the transition period 	<ul style="list-style-type: none"> Tax Reform as a new factor in the spectrum of corporate risks and advantages Pricing strategies versus demand impacts Repercussion on contracts/agreements in general 	<ul style="list-style-type: none"> Consolidation / company formation, real estate planning, human resources and others Logistics and distribution review Tax Reform impacts on suppliers / supplies 	<ul style="list-style-type: none"> Mapping the effects on EBITDA and respective communications Repercussion among stakeholders in general

Key channels of transformation:

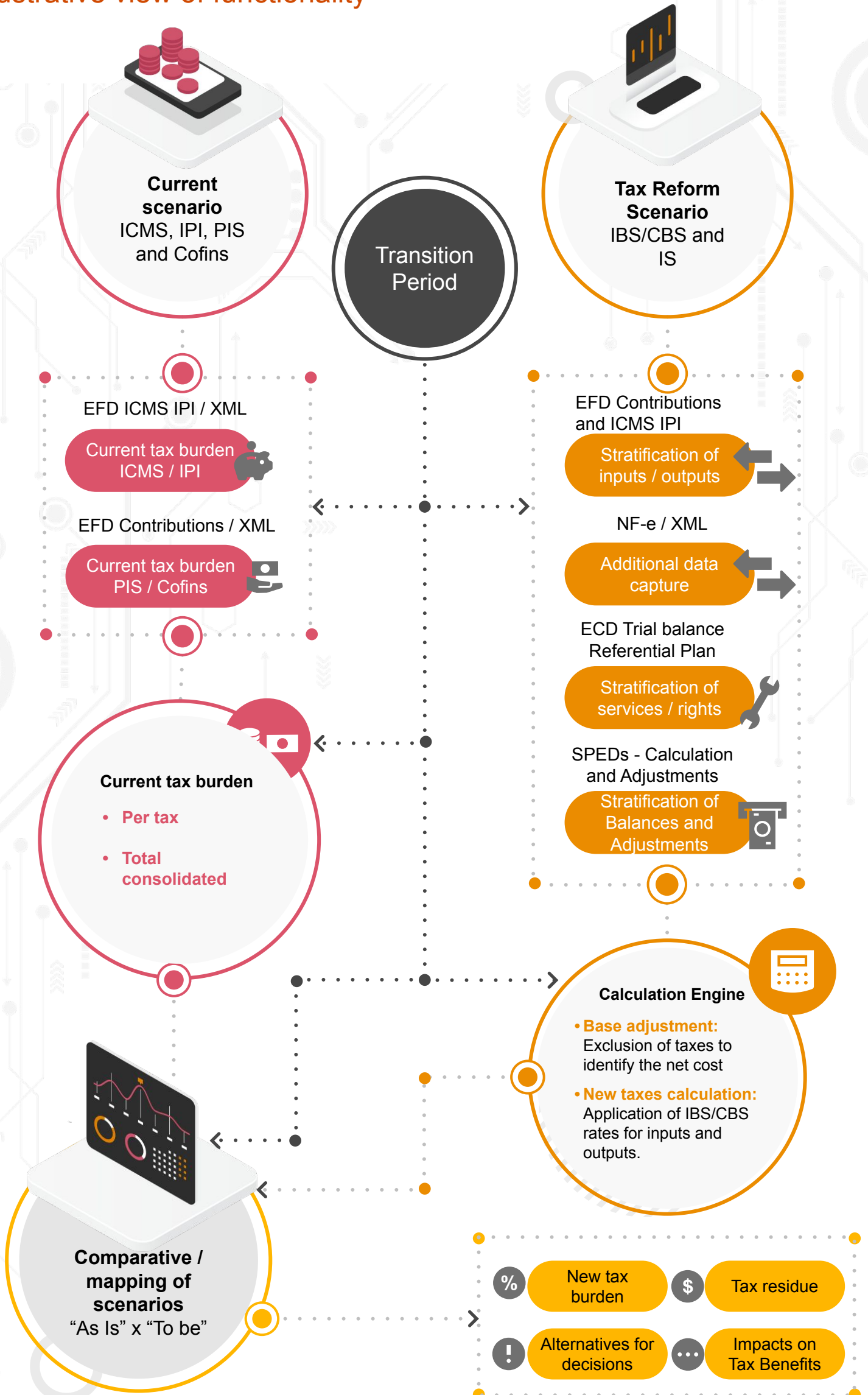
- Processes
- Technology
- People
- Data



Tax Reform Explorer - Technological solution for companies navigate through the Reform scenarios

In this context, we have developed the **Tax Reform Explorer** to analyze, measure, and simulate scenarios of the Reform's Tax impacts, being one of the stages in our holistic risk management approach, facilitating co-creation with company management based on the tangible data of the business.

Illustrative view of functionality



The Tax Reform Explorer is not merely designed to calculate the Tax Reform impacts on company operations in a basic and generalist manner, but to categorize concrete fiscal data from these operations comprehensively and rationally. Based on this, it simulates various scenarios ranging from a basic comparison between the current and projected tax burden, through the complex transition phase of two consumption tax systems, to the effects that may arise from strategic decisions and their potential future impacts on the business.

It is a flexible solution that allows necessary adaptations to a wide variety of situations and also adapts to the Reform perception as a disruptive element for constantly evolving businesses, whether due to ongoing regulatory changes or due to personal interactions carefully tailored to the company's reality, through co-creation of scenarios and analyses with its managers.



Would you like to understand more about how this can affect your business? [Contact us.](#)

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