



April 8 2022

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## New table of taxes on industrialised products delayed and new reductions remain uncertain

### Machado Associados | Corporate Tax - Brazil

Following controversies caused by the reduction of excise tax (IPI) rates (for further details please see "Government reduces excise tax rate"), Decree 11021/2022 was published in a special edition of the 31 March 2022 *Official Gazette* and has delayed the effective date of the new table of taxes on industrialised products (TIPI/2022) to 1 May 2022. The TIPI/2022 was previously scheduled to come into force on 1 April 2022, according to Decree 10923/2021.

Although the government has been announcing in recent weeks that it would promote reductions of 33% in IPI rates, with the exception of certain products that are manufactured in the Manaus Free Trade Zone, Decree 11021/2022 has held back the provision of the TIPI/2022 until May 2022, meaning that the current TIPI/2017 will remain in effect for a month longer than previously expected. With this delay, the IPI rate reduction of up to 25% that Decree 10979/2022 implements will remain in force until the end of April 2022.

However, if the rates of the TIPI/2022 are not reduced, as per the government's promise, tax rates may be increased from the new effective date, which may raise further controversies.

It will be necessary to monitor the ongoing political conflicts to verify whether the IPI rates that are included in the TIPI/2022 will be reduced and further details as regards the percentage of the reductions.

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