

Foreign Investor Visas in Brazil: Making The Right Decision

Now is the time to invest in Brazil. Its economy is ranked among the top ten in the world. Brazil's new president has promised important reforms, especially with respect to the country's complex and outdated tax laws. And with Brazil set to host the 2014 FIFA World Cup and 2016 Olympic Games, the world will be paying close attention to this South American powerhouse for years to come. Brazil's rapidly growing marketplace and improved corporate and regulatory structures will certainly continue to attract significant foreign investment. And, as money continues to pour in, investors will want to be on the ground. In order to do business in Brazil, however, foreign investors must first obtain the proper visa. While this is not a complicated process, it is important to select the correct visa.



In a prior article, we focused on the [top five compliance issues facing Brazil](#). Here we discuss the three most popular visas currently available to foreign investors. The Brazilian National Immigration Council (part of the Department of Justice) and the Ministry of Labor are responsible for setting visa requirements. The right visa depends entirely on the nature of the investor's business dealings in Brazil. Because the requirements for each visa, including their duration, depend on the type of business at issue, it is crucial that investors take the time to study their business models and select the correct visa. In order to give foreign investors a starting point, this article highlights each visa's particular requirements.

If a company already employs an individual applicant outside of Brazil and is transferring him or her to a subsidiary or affiliate located in the country, the applicant may request what we will refer to as an "established company" visa. To qualify for this visa, the applicant must have worked for the parent company, a subsidiary or an affiliate of the company prior to the time application is made for the visa. There is, however, no minimum period of prior employment required for this type of visa. The applicant need only have been employed by the company "prior" to the time the application is made.

To obtain this visa, the applicant must provide proof of employment outside of Brazil and make a showing that he or she will perform specialized labor and will transfer technology, increase productivity and/or bring some social benefit to the country. For each such visa requested, the company must invest at least US\$200,000 in Brazil.

If you are requesting a visa in connection with a start-up company, the visa requirements will be considerably different. Brazil limits the number of visas issued to a planned or recently established company to only three. These visas will typically be granted to those executives responsible for launching operations in Brazil. To obtain a visa, applicants must establish that the company has been in business outside of Brazil for a minimum of five years.

In addition, the foreign company must issue a power of attorney to its legal representatives in Brazil for the purposes of setting up the company there. Applicants for a "start-up" visa must take note of certain procedures governing the issuance of valid powers of attorney. If the business is a corporation, the power of attorney must be granted by the board of directors; it must be issued and notarized in the state of incorporation (in compliance with local laws) and then submitted to the Brazilian consulate for a process called "consularization." These steps are necessary because Brazil is not a signatory to the Hague Convention Abolishing the Requirement for Legalisation for Foreign Public Documents. If a power of attorney is not properly consularized, it will have no legal validity in Brazil. Once consularized and submitted to the legal representative in Brazil, the document must be translated by a certified Portuguese translator. A company cannot be registered in Brazil or even operate until these steps are completed.

A "start-up" visa is initially valid for two years. Once this period expires, the company must show that it will meet the minimum investment requirements or job creation criteria required for an "established company" visa as discussed above.

A foreign investor who intends to permanently stay in Brazil and who will invest foreign funds in "productive activities," like hiring or training specialized labor, must invest a minimum of US\$50,000 in qualifying activities. These types of visas are initially granted for five years with a very important condition. Before the

five-year time period expires, the foreign investor must show the Federal Police, the regulatory authority, that he or she has in fact hired Brazilian employees and has met a pre-determined investment plan. If these two requirements are met, the visa will be re-validated.

Brazil offers incredible opportunities for foreign investors eager to capitalize on this economic powerhouse. To do so effectively, investors must be mindful of Brazil's visa requirements. Having satisfied the appropriate conditions, foreign investors will find that Brazil's economic (not to mention daily) climate is ripe for growth and expansion.

About the Author

Michael Diaz Jr. is founder and managing partner of [Diaz, Reus & Targ LLP](#) and an international business litigation and transactions lawyer who represents international clients on cross border investments, project finance and corporate transactions on behalf of foreign and multinational companies, multinational financial institutions, foreign governments and state-owned entities.

For the latest news and commentary on breaking cases, you can follow Mr. Diaz on Twitter [@michaeldiazjr](#), [Facebook](#), [LinkedIn](#), [JDSupra](#) or visit his blog, [International Asset Hunter](#). For his complete bio, visit [Michael Diaz Jr.'s author page](#).



Tags: [Brazil](#), [compliance in brazil](#), [foreign investor visas](#), [michael diaz jr](#)