

MEMORANDUM TO CLIENTS

LIFE SCIENCES AND HEALTHCARE

May 30, 2016

REGULATIONS ON THE NEW SCIENCE, TECHNOLOGY AND INNOVATION FRAMEWORK OPEN TO PUBLIC CONSULTATION

The so-called New Science, Technology and Innovation Framework ("NSTIF"), enacted on January 11, 2016, seeks to encourage public-private partnerships in technology, by facilitating and promoting scientific development in Brazil. The NSTIF provides incentives for scientific development, research, technological qualification and innovation.

The NSTIF altered the Innovation Act (Law Nº 10,973/2004) and also contemplates certain tax benefit for the R&D sector. In this regard, given that certain provisions lack specific regulation, the Ministry of Science, Technology and Innovation has called for public consultation to draft a Decree to regulate the NSTIF.

Stages of the Public Consultation

The public consultation on the NSTIF is divided into two stages. The first will take place by June 12, 2016, and addresses specific sections of the NSTIF that lack regulation. In this regard, initial topics were proposed for debate, together with certain questions in order to offer guidance for participation from the public.

Aside from the sections suggested for debate, there is also the possibility of including new topics, should the participants consider that other matters should be addressed or improved.

Once the first stage is completed, the Ministry of Science, Technology and Innovation will endeavor to produce a report within 30 days, consolidating the comments received, in order to present to the public a first draft of the NSTIF regulations.

In the second stage of the public consultation, the participants will be able to comment directly on the first draft of the NSTIF regulations. The Ministry of Science, Technology and Innovation intends to begin the second stage on July 10, 2016, with a view to it ending on August 10, 2016.

Main Topics Proposed for Regulation

- Technological Bonus (subsidies for micro, small and medium-sized companies);
- Assignment of the use of real-estate for the installation and consolidation of innovation-promoting environments;
- Authorization for the Federal Government, States and their authorized entities to participate as minority shareholders in companies seeking to develop innovative products or processes;
- Exemption from the requirement for public bid procedures for contracts for the supply of innovative products or processes resulting from research, development and innovation activities commissioned by the Government;
- Special procedures to obtain exemption from contracting engineering work and services and in R&D;
- Exemption from the requirement to provide qualification documents in contracting products for research and development;
- Criteria and qualification required in order to obtain reductions and exemption in respect of Import Tax for companies carrying out projects in research, development and innovation;
- Simplified and priority procedure for the importation and customs clearance of goods, supplies, reagents, parts and components to be used in scientific and technological research and innovation projects.

The public consultation on the NSTIF and the complete list of topics open for debate is available at the webpage "[Participa.br](#)".

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The purpose of this memorandum is to inform our clients about important changes and developments in the area of law. We remain at the reader's disposal for any additional information that may be desired regarding the subject matter herein.

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