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## BRAZIL

*The following is a brief summary of recent legislative developments in Brazil*

### SECURITY FOR FINANCIAL INSTITUTIONS

President Cardoso sanctioned Law No. 9017 dated March 30, 1995, establishing that any financial institution with cash deposits or inflow and outflow of cash is obliged to provide a security system approved by the Ministry of Justice.

Private companies that offer security services and transportation of valuables must have:

(a) a minimum capital of 100,000 Fiscal Reference Units ("UFIR")—approximately U.S. \$77,000—to operate;

(b) guards approved in courses authorized by the Ministry of Justice; and

(c) special transportation for the transport of valuables above a certain amount.

Law 9017/95 also sets forth rules for the control and surveillance of chemical products and other substances that can be used to synthesize cocaine and other drugs that can cause physical or psychological dependence (DOU-I, March 31, 1995).

### ANTIDUMPING

On March 30, 1995, President Cardoso sanctioned Law No. 9019, approving Provisional Measure No. 926 of March 1, 1995 (first issued as Provisional Measure No. 616 of September 14, 1994), which sets forth the penalties for use of antidumping and countervailing duties, approved and adopted by the General Agreement on Tariffs and Trade—GATT.

The scope of Law 9019/95 is to offset the damages caused to the domestic economy by dumping or product subsidies. Law 9019/95 provides that antidumping and countervailing duties will be imposed by charging in domestic currency an amount that corresponds to the margin of the dumping, or the amount of

the subsidies administratively verified, regardless of any taxes and other fees of a fiscal nature imposed on the affected products (DOU-I, March 31, 1995).

#### ADMINISTRATIVE COUNCIL FOR ECONOMIC DEFENSE

On March 30, 1995, President Cardoso sanctioned Law No. 9021, approving Provisional Measure No. 934 of March 1, 1995, which regulates implementation of the Administrative Council for Economic Defense - CADE.

CADE was created by Law No. 8884 of June 11, 1994 (the "Antitrust Law") as an autonomous government entity linked to the Ministry of Justice and charged with investigation and punishment of unfair business practices, such as the formation of trusts, cartels and monopolies (please refer to item 4 of our June 1994 Legal Letter).

Law 9021/95, among other resolutions, provides for the administrative organization of CADE, and empowers CADE to decide on proceedings filed in relation to infringements being investigated or to be decided on as provided for in the Antitrust Law and in previous laws dealing with competition repealed by the Antitrust Law.

Law 9021/95 also sets forth a daily penalty of 5,000 UFIR—approximately U.S. \$ 4,000—up to 100,000 UFIT—approximately U.S. \$ 77,000—for the refusal, omission, misleading or unjustified delay in providing information requested by CADE or other economic protection agencies (DOU-I, March 31, 1995).

#### IMPORT DUTIES

President Cardoso signed Decree No. 1427 of March 29, 1995, increasing to 70% the import duty on 100 products, such as vehicles and durable consumer goods (DOU-I, March 30, 1995).

#### TOBACCO - MARKETING

On March 24, 1995, the Ministries of Health, Justice and Telecommunications issued Interministerial Ordinance No. 477, disclosing the contents of the health warnings in relation to

damages caused by the consumption of tobacco and its derivatives, in keeping with Law No. 8078 of September 11, 1990 - the Consumer Protection Code.

The disclosure and media marketing of such warnings are established in a commitment letter signed by tobacco industry representatives and by advertising and broadcasting network entities. This commitment letter recommends that television networks avoid transmission of images in which interviewed guests or public personalities are seen smoking (DOU-I, March 28, 1995).

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