



# **New IOF Decree**

## **Partial Revocation of May's amendments and new provisions**

June | 2025

# New IOF Decree repeals part of the changes implemented in May

Considering the recent changes introduced to the IOF regulations by Decree No. 12,499, dated June 11, 2025, we have outlined below an overview of the regulatory developments and the main impacts of the new rules, which come into effect as of June 12, 2025.



Outbound remittances			
Type of transaction	How it was	May/2025 changes	How it stands now
Transactions not subject to specific regulations (such as services, royalties, etc.)	0.38%	3,5%	3.5%
Repatriation of capital invested by a foreign investor in equity interests in Brazil	Dividends and interest on net equity (JCP) – 0%  Capital reductions and other transactions – 0.38%	Dividends and interest on net equity (JCP) – 0%  Capital reductions and other transactions – 3.5%	Dividends and interest on net equity (JCP) – 0%  Capital reductions and other transactions – 0%
Remittances related to transactions by payment instrument issuers involving purchases of goods and services and cash withdrawals abroad	3.38% (reduced to zero until 2028)	3.5%	3.5%
Travel checks, prepaid cards	3.38% (reduced to zero until 2028)	3.5%	3.5%
Funds made available abroad and purchase of foreign currency in cash	1.1%	3.5%	3.5%
Outbound remittances for investment purposes	1.1%	1.1%	1.1%
Specific operations subject to a zero tax rate or exemption	0% or exemption	0% or exemption	0% or exemption

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## IOF-FX

Inbound remittances			
Type of transaction	Previous framework	May/2025 changes	How it stands now
Cross-border loans with an average maturity of up to 364 days	0%	3.5%	3.5%



## IOF-credit

Type of transaction	Previous annual cap	Previous annual cap	Current annual cap
Loans between legal entities	Up to 1.88%	Up to 3.95%	Up to 3.38%
Advance payment to suppliers (with drawee's risk and forfaiting structures)	Not subject to taxation	Up to 3.95%*1	Up to 3%*1
Simples Nacional regime (transactions of up to R\$30,000.00)	Up to 0.88%	Up to 1.95%	Up to 1.38%
MEI (Brazilian Individual Microentrepreneur – transactions not exceeding R\$30,000.00)	Up to 0.88%	Up to 1.38%	Up to 1.38%
Cooperative-related transactions	0%	The 0% rate applies exclusively to aggregate transactions below R\$100 million	The 0% rate applies exclusively to aggregate transactions below R\$100 million

\*1 In practice, transactions with suppliers usually do not reach the cap due to their short-term nature.

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## IOF-credit (cont.)

### IOF on Drawee Risk: A new legal battle ahead?

- The Brazilian Federal Revenue Service (RFB) has a well-established position, as set forth in Divergence Tax Ruling No. 09/2016 and Interpretative Declaratory Act – ADI No. 11/2016, that the assignment of receivables without recourse does not qualify as a credit operation for IOF-credit purposes.
- Accordingly, since such transactions do not fall under the legal definition of a credit operation, there would be no legal basis for imposing IOF-credit on Drawee risk transaction (buyer’s risk), especially not through secondary legislation (i.e. implementing regulations).
- The imposition of IOF on Drawee risk would therefore require the creation of a new type of tax, distinct from those currently provided for, and such a change could only be introduced by complementary law (lei complementar).



## IOF-insurance on VGBL plans

### Previous framework

- Not subject to taxation.

### May/2025 changes

- Monthly contributions exceeding R\$50,000.00 to life insurance plans with survival benefits are now taxed at a 5% IOF rate.

### How it stands now

- **From the effective date of Decree No. 12,499, dated June 11, 2025, through December 31, 2025:** 5% (five percent) on the portion exceeding R\$300,000.00 (three hundred thousand reais).
- **As of January 1, 2026:** 5% (five percent) on the portion exceeding R\$600,000.00 (six hundred thousand reais) per year.
- Zero rate applies to premiums paid by a legal entity employer to fund life insurance plans with survival coverage for individual employee beneficiaries.

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## IOF-TVMT

### 0,38% | On capital contributions to FIDCs

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— The taxation does not apply to the acquisition of units:

- Subscribed on or before June 13, 2025;
- Acquired on the secondary market.



## Effective date of the decrees

Changes introduced by Decrees No. 12,466 and 12,467:

- **Foreign exchange and credit operations:** from May 23 to June 11, 2025;
- **Drawee risk (buyer's risk):** from June 1 to June 11, 2025;
- **VGBL:** from May 23 to June 11, 2025, but the payment deadline was extended to June 25, 2025, pursuant to Normative Ordinance MF No. 1,215, dated June 3, 2025.

Changes introduced by Decree No. 12,499: effective as of June 12, 2025.



To gain further  
insights on the subject,  
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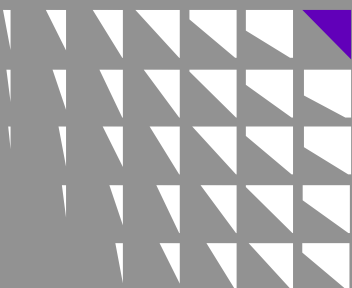
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