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# INVEST IN BRASIL

## THE **COMPETITIVENESS** OF THE **BRAZILIAN** **VENTURE CAPITAL** AND **PRIVATE EQUITY** **INDUSTRY**

# CONTENTS

About Apex-Brasil	03
Brazil Fundamentals	04
A Macro Overview	05
A Solid Regulation Environment	07
Notable Sectors: Internet	08
Notable Sectors: Agritech	09
Notable Sectors: Healthcare	10
PE/VC Ecosystem: A Short History	11
Strengths and Challenges	12
PE/VC Industry Snapshot	13
PE/VC Numbers	14
Sample Of VC Investments	15
Science Parks: Innovation Dynamos In Brazil	16
Apex-Brasil Tech Partners	17
Why Brazilian Accelerators Do The Difference	19
Entrance, Permanence and Outflow of Foreign Investment in Brazil	20
Direct Investment	21
Main Types of Business Organizations in Brazil	22
Investment 4,373	24
Direct Investment and Investment 4,373 Comparative Table	25
How Apex-Brasil And Its Partners Can Assist Foreign Investors	26
Apex-Brasil Partners	27



**ApexBrasil**  
AGÊNCIA BRASILEIRA DE PROMOÇÃO  
DE EXPORTAÇÕES E INVESTIMENTOS



# ABOUT APEX-BRASIL

The Brazilian Trade and Investment Promotion Agency (Apex-Brasil) works to promote Brazilian products and services abroad, and to attract foreign investment to strategic sectors of the Brazilian economy.

The Agency supports more than 11,000 companies from 80 different industries, which in turn export to 200 markets. Apex-Brasil also plays a key role in attracting foreign direct investment to Brazil, working to detect business opportunities, promoting strategic events and providing support to foreign investors interested in allocating resources in Brazil.

Since 2010, the agency has been conducting a series of programs with Brazilian companies, startups and GPs in partnership with the Brazilian Private Equity & Venture Capital Association (ABVCAP), the Ministry of Industry and Foreign Trade Development (MDIC), the Ministry of Science, Technology and Innovation (MCTI), and other institutional partners to strengthen the local investment and innovation ecosystem.

It has been successful at supporting dozens of funds to fundraise more than US\$10 billion and hundreds of companies through its promotional and matchmaking agenda. The Agency recently launched its program to support global venturing units to access the Brazilian market through funds, companies and other services in partnership with angels, accelerators and non-profit associations.

Apex-Brasil's foreign offices are strategically located in North America (Miami, FL and San Francisco, CA, USA), the European Union (Brussels, Belgium), Eurasia (Moscow, Russia), Asia (Beijing, China), the Middle East (Dubai, United Arab Emirates), South America (Bogotá, Colombia), Central America and the Caribbean (Havana, Cuba), and Africa (Luanda, Angola).

Site: **[www.apexbrasil.com.br](http://www.apexbrasil.com.br)**

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# BRAZIL: FUNDAMENTALS

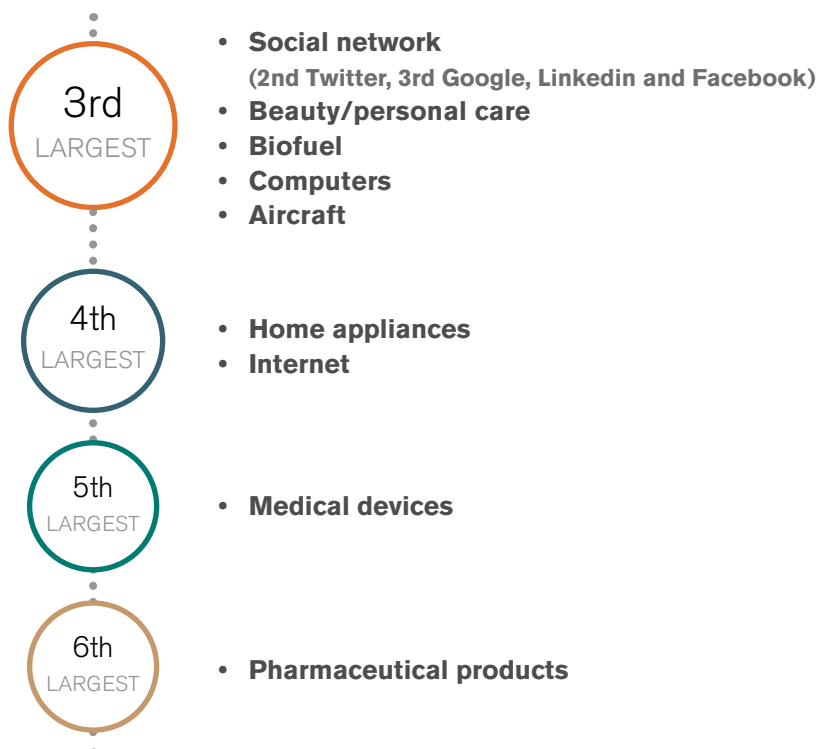
## 1.1. HIGHLIGHTS

- **\$2.345** trillion GDP (2014); 40% of LatAm.
- Urbanization rate of **85%**.
- **202 million people**; median age of 29 years.
- At least **68%** of the population at **working age**.
- **7th** World Economy.
- Medium-high income for emerging market standards such as India, China, Colombia and Turkey.
- No religious or ethnic tensions.
- **Stable democracy** and solid institutions.

*Source: IBGE, The World Bank.*

## 1.2. GLOBAL RANKING

Brazil is the world's fifth largest consumer market and recipient of net FDI.  
It's also the:

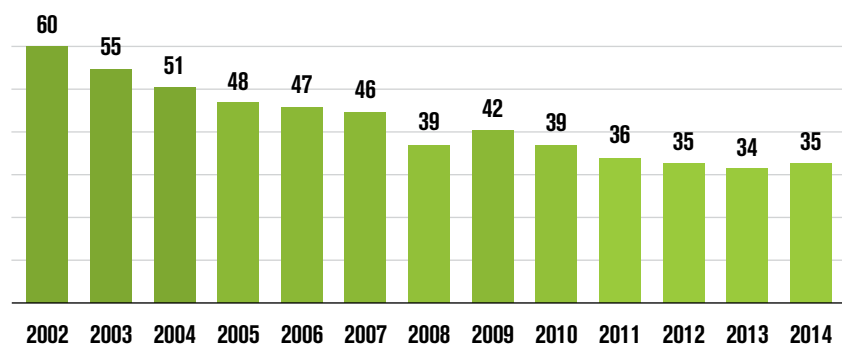


# A MACRO OVERVIEW

## 2.1. ECONOMY

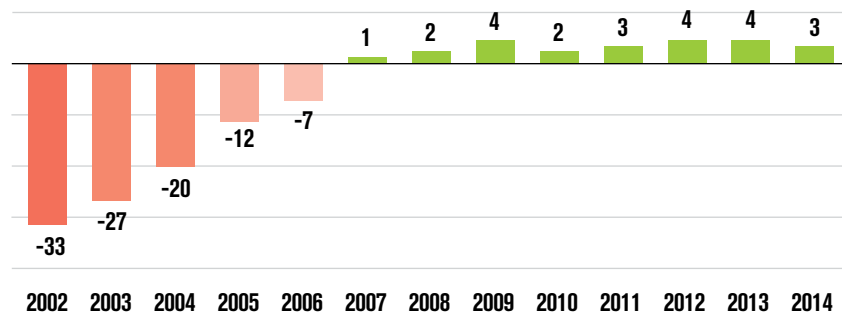
Fiscal accounts, balance of payments and inflation are under control.

### NET PUBLIC INDEBTEDNESS (% OF GDP)



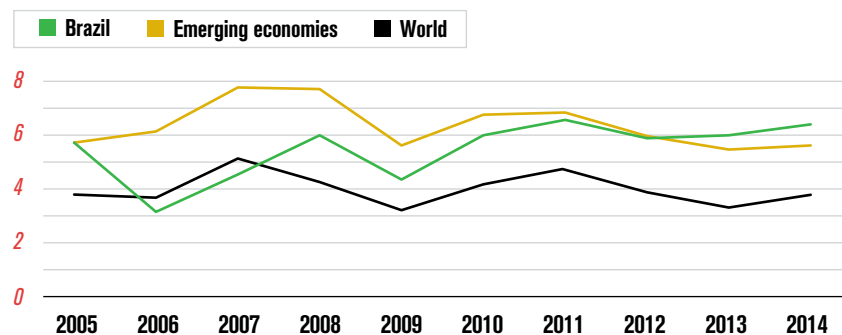
Steady primary budget surpluses have reduced the government net indebtedness.

### NET EXTERNAL CREDIT POSITION (% OF GDP)



International reserves are bigger than external debt and ability to pay is not an issue.

### CPI INFLATION COMPARED (% PER ANNUM)



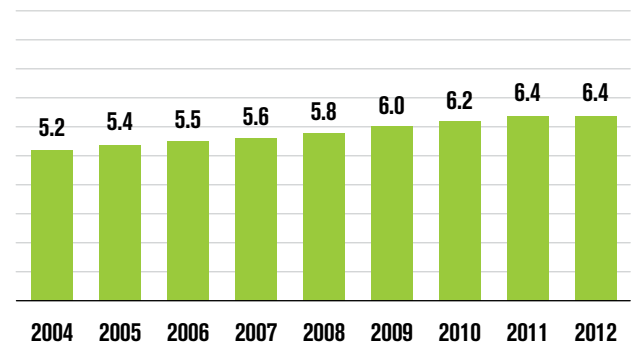
Historically Brazil's inflation has been similar or lower than emerging economies.

Source: IMF, Central Bank of Brazil.

## FDI FLOWS IN 2013

#	Country	US\$ Million	%
1	United States	187.528	12,9%
2	China	123.911	8,5%
3	British Virgin Islands	92.300	6,4%
4	Russian Federation	79.262	5,5%
5	China, Hong Kong	76.633	5,3%
6	Brazil	64.045	4,4%
7	Singapore	63.772	4,4%
8	Canada	62.325	4,3%
9	Australia	49.826	3,4%
10	Spain	39.167	2,7%
	Other	613.196	42,2%
	<b>Total</b>	<b>1.451.965</b>	<b>100%</b>

## NUMBER OF COMPANIES IN BRAZIL (MILLION)

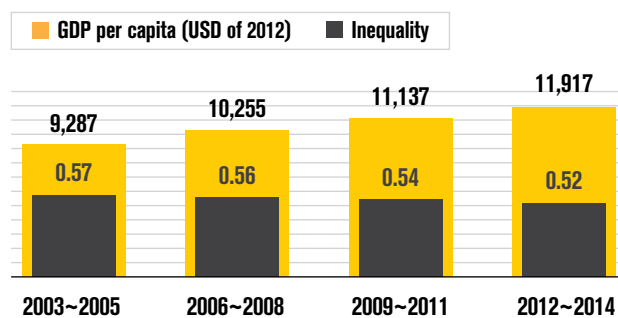


Source: UNCTAD Stat, Sebrae.

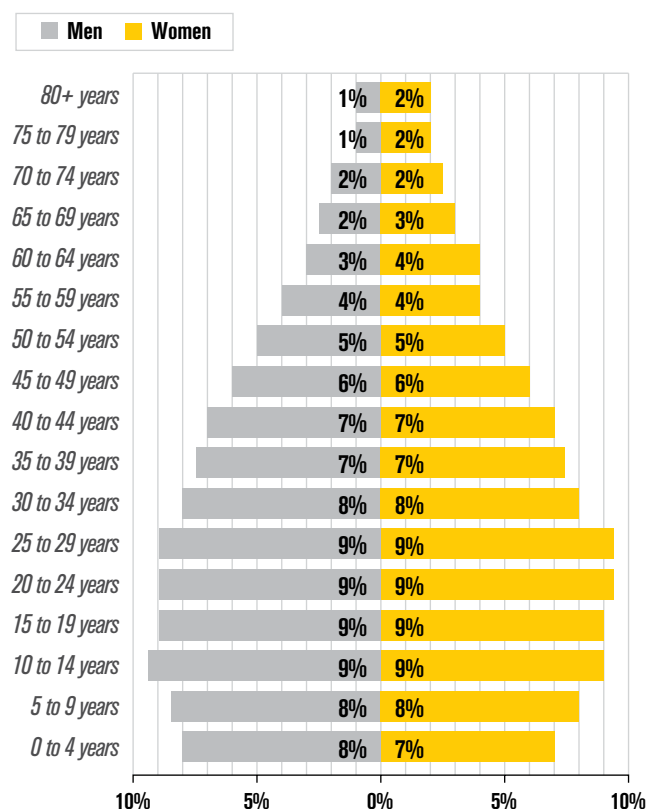
## 2.2. SOCIAL

Poverty reduction and lower income inequality.

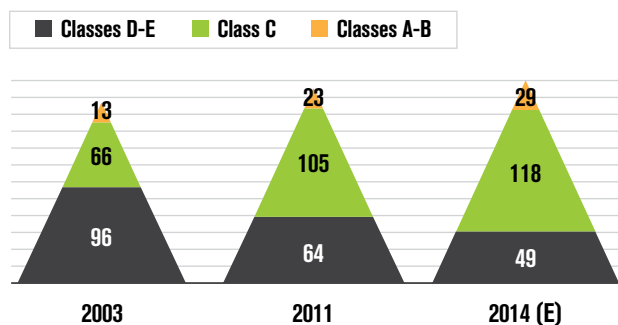
### GDP PER CAPITA X INCOME INEQUALITY (GINI INDEX)



### POPULATION DISTRIBUTION BY AGE COHORTS (% OF TOTAL; 2010)



### EVOLUTION OF SOCIAL CLASSES IN BRAZIL (MILLION PEOPLE)



In the past decades Brazil has seen its numbers of income grow while reducing its inequality rate. Currently most of the population are middle class and at working age. The combination of these factors has promoted several impacts on the growth of needs such as Internet access.

Source: IPEA, IBGE.

# A SOLID REGULATION ENVIRONMENT

The Latin America Private Equity & Venture Capital Association (LAVCA) publishes every year a scorecard, which aims to evaluate ongoing regulatory changes that foster a stable climate for investment in the region, Brazil has for the past years come in second place just after Chile.

- **Equal treatment of foreign and national capital\***
- **Consolidated banking system regulation since 1964**
- **Corporate governance practices and transparency requirements**
- **Solid regulatory agency CVM (Brazilian SEC)**

Sources: LAVCA, ABVCAP.



## 2013 SCORECARD

### 2013 Scorecard

	Argentina	Brazil	Chile	Colombia	Costa Rica	Dominican Republic	El Salvador	Mexico	Panama	Peru	Trinidad & Tobago	Uruguay	Israel	Spain	Taiwan	UK
<b>Overall score</b>	42	72	76	61	56	42	39	67	49	51	57	57	81	76	64	96
Laws on PE/VC fund formation and operation	1	4	3	3	2	2	0	2	2	2	2	2	4	3	4	4
Tax treatment of PE/VC funds & investments	1	3	3	2	3	1	2	3	2	1	3	3	2	4	3	4
Protection of minority shareholder rights	2	3	3	3	1	2	1	3	2	1	2	2	4	3	1	4
Restrictions on local institutional investors investing in PE/VC	0	3	3	3	1	1	1	3	2	3	2	2	4	3	2	4
Protection of intellectual property rights	2	2	3	2	3	1	2	2	2	2	3	2	2	3	3	4
Bankruptcy procedures/creditors' rights/partner liability	2	3	3	2	2	1	2	2	2	2	2	3	2	3	3	3
Capital markets development and feasibility of exits	2	3	3	2	2	1	2	3	2	2	2	1	3	3	3	4
Registration/reserve requirements on inward investments	1	3	3	3	3	3	3	3	3	3	4	3	3	3	3	3
Corporate governance requirements	2	3	3	3	2	3	1	3	2	3	2	2	4	3	2	4
Strength of the judicial system	2	2	3	2	3	1	1	2	2	1	2	3	3	2	2	4
Perceived corruption	1	1	3	1	3	1	1	1	1	1	1	3	3	3	2	3
Quality of local accounting/use of international standards	4	4	4	2	4	3	3	3	2	4	3	3	4	4	3	4
Entrepreneurship	3	3	3	3	2	2	2	3	1	2	2	2	3	2	4	4

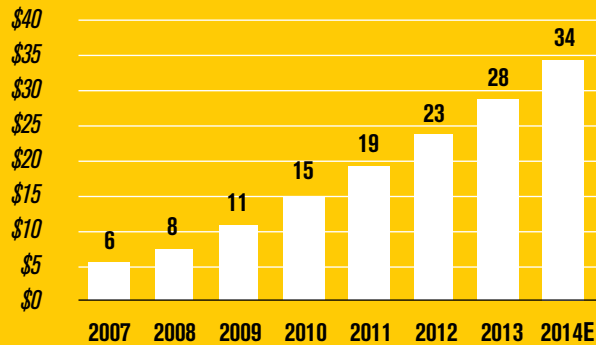
\* with some restrictions to nuclear energy, rural property, domestic aviation, mail and media.



# NOTABLE SECTORS: INTERNET

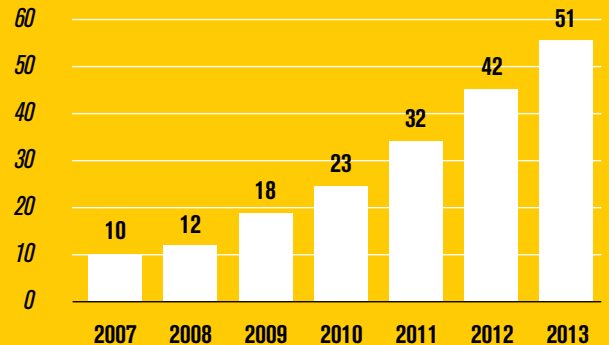
## E-COMMERCE SALES

Billions (R\$)



## NUMBER OF E-CONSUMERS

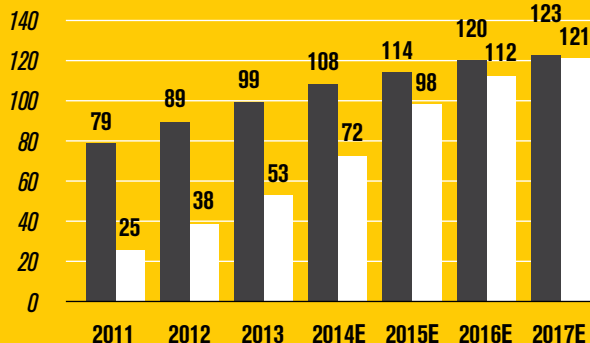
Millions



## NUMBER OF INTERNET USERS

■ All devices ■ Mobile

Millions



Brazil has the 5th largest internet population. The country has been at the lead role in the region with 113.7 million users. Several of these users are accessing the web via mobiles, which now accounts for 66% out of the total.

Improvements in the broadband infrastructure has played a major role for the smartphone adoption, which should keep growing in the future.

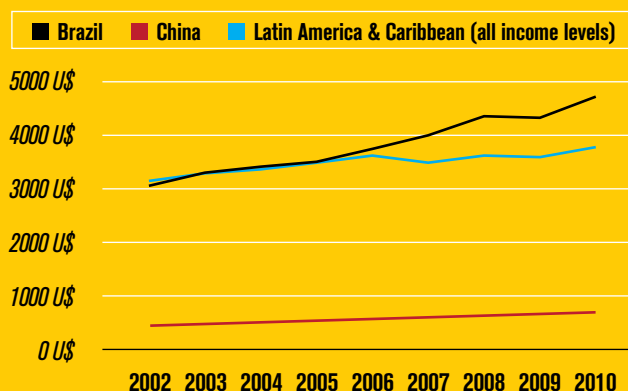
Has a market of 51 million (2013)e-consumers that represents R\$ 28 billion. With only a little over 50% penetration of the Internet users, this market is expected to grow at least 20% through 2019.

Several local players are targeting scale while some international companies are testing the market for entry.

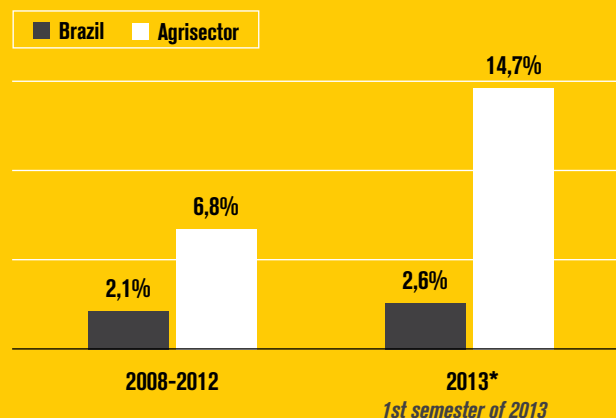
Sources: eMarketer, ITU, Anatel, Mediacels, PWC, Qualcomm, StrategyAnalytics, Forrester Research.

# NOTABLE SECTORS: AGRITECH

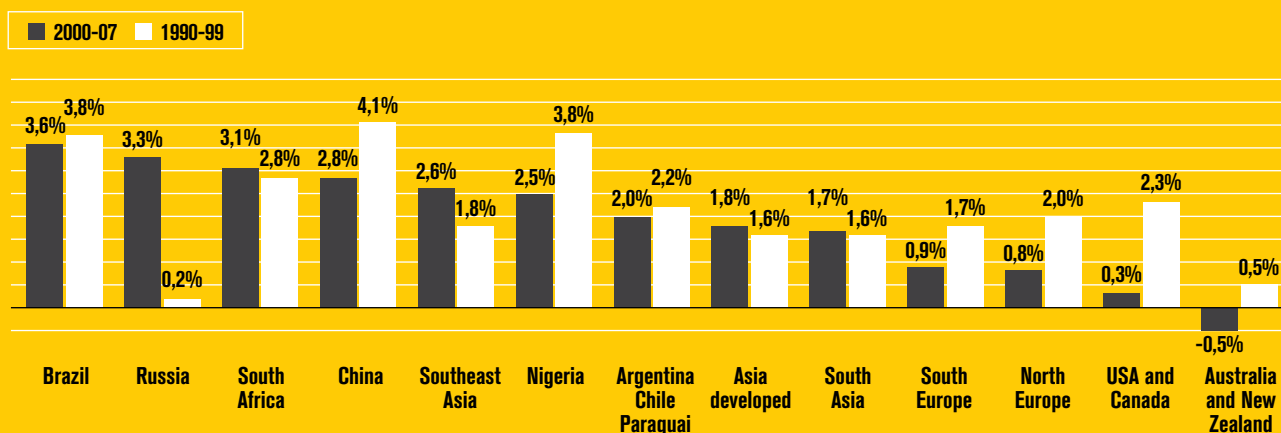
AGRICULTURE VALUE ADDED PER WORKER



BRAZILIAN AND AGRISECTOR GDP GROWTH (% A.A)



TOTAL FACTOR PRODUCTIVITY GROWTH



The agribusiness is the best performing and most competitive sector Brazilian economy.

Between 1996 and 2006, the total value of Brazil crops changed from R\$ 23Bn to R\$ 108Bn, a 365% increase.

The country is also the largest exporter of sugarcane and ethanol.

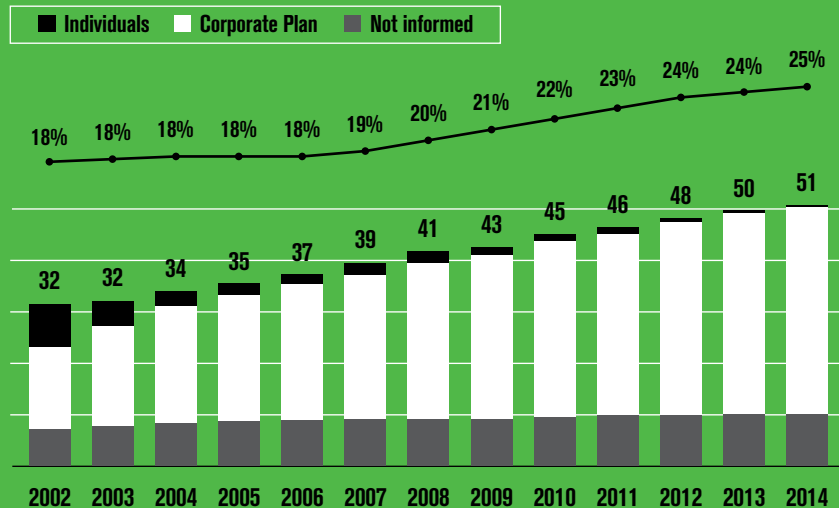
Since 1990, Brazil soybean output has raised from barely 15 million tons to over 60 million tons, increasing 4 fold. Brazil accounts for about a third of world soybeans exports, second only to the US.

Embrapa, the **Brazilian Agricultural Research Corporation** founded in 1973 has developed **breakthrough technology** for new seeds, cattle, fabrics for food storage, among others. Embrapa **spearheaded the agricultural revolution in the Cerrado (Savannah)** and now this technology can be applied to other regions such as Africa.

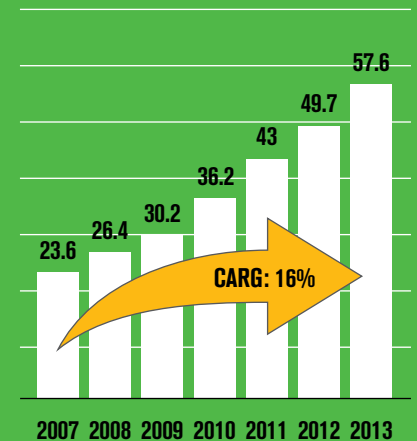
Sources: Source: FAO; Alston, J.M., B.A. Babcock, p.G. Pardey eds (2010); Cepea, Conab, Fiesp, MB Agro and Ministry of Agriculture.

# NOTABLE SECTORS: HEALTHCARE

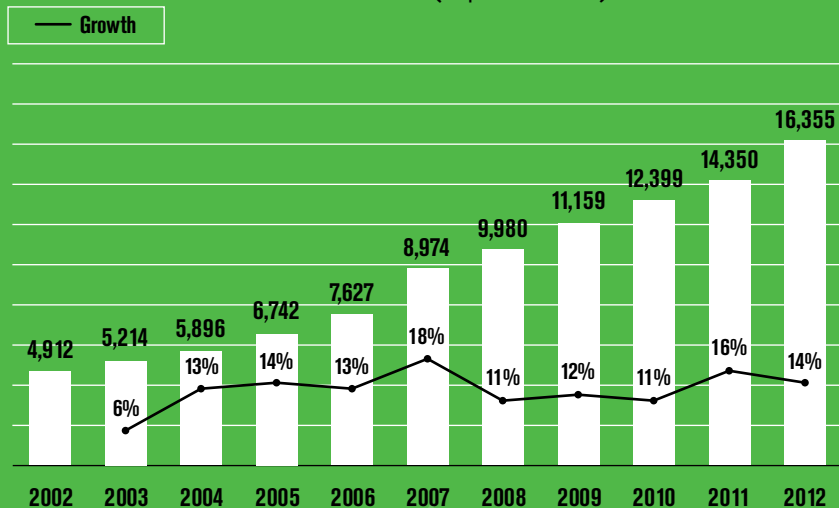
HEALTH INSURANCE BENEFICIARIES IN BRAZIL (IN MILLION)



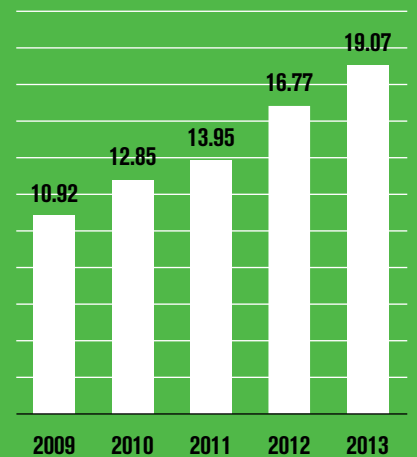
BRAZILIAN PHARMACEUTICAL MARKET (R\$ BILLION)



EVOLUTION OF EXPENDITURE WITH DIAGNOSTIC SERVICES BY HEALTH INSURANCE PLANS (R\$ MILLION)



MEDICAL DEVICES BY EXPENDITURE (R\$ BILLION)

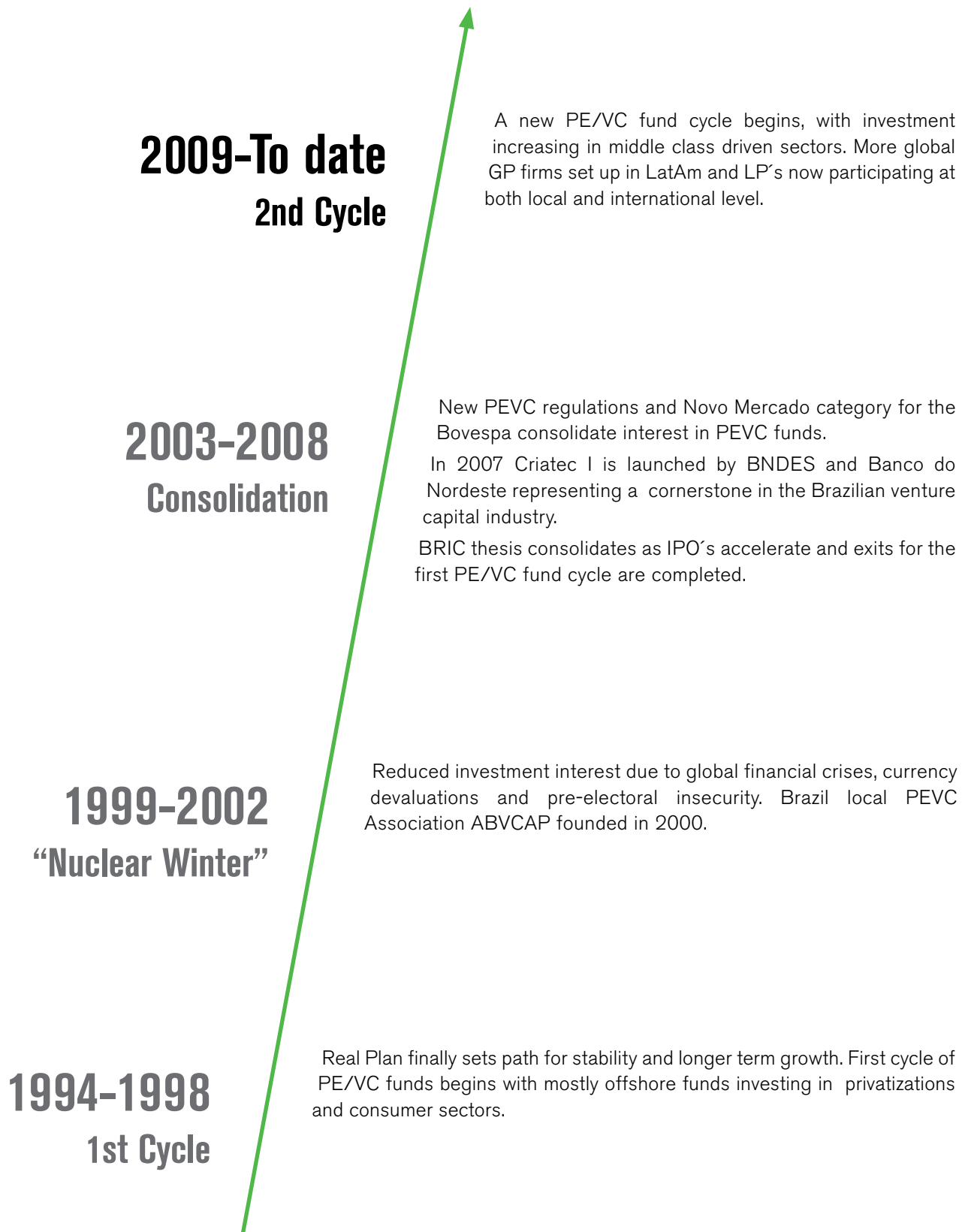


## Why is Brazil interesting for healthcare investments?

- Population aging and increasing incidence of chronic diseases.
- Increasing awareness of the preventive medicine.
- Continuous growth of public and private expenditure on health.
- Strong investment track-record by multinationals acquiring Brazilian companies and setting up industrial facilities in the country.

Sources: ABIMO, ANS, IMS Health.

# PE/VC ECOSYSTEM: A SHORT HISTORY



# STRENGTHS AND CHALLENGES

## STRENGTHS X REALITY CHECK



**Productivity gap** as an opportunity for PEVC to address with increasing demand from several segments of the economy.

**Diversification** from over-allocated developed PEVC markets such as U.S/Europe and recently China.

**Brazil is more “western”** in its business mannerisms than India or China, with solid international accounting and transparent regulatory rules for PEVC funds.

**Continued FDI flow and lower asset prices** providing opportunities for purchasing strategic assets and developing exits to global players.

PEVC increasing share of the economy but still **very low penetration** (0.25% of GDP) compared to developed economies.

**Fewer exits of note** compared to other regions and fewer success stories for local funds in general.

Improving but **still shallow depth of capital markets** helps PEVC dealflow but makes for less IPO possibilities for all but the largest exits.

Shallow gene pool at the GP level with **few long-term track records** with full cycle returns or long-term consolidated teams to attract international LPs.



# PE/VC INDUSTRY SNAPSHOT



Brazil currently has more than

**150 ACTIVE**

PEVC asset management firms as well as many direct and strategic investors.

More than  
**40 VENTURE CAPITAL GPS**  
are looking to invest in  
**3.500+ START-UPS**

with many of them being backed by the 300+ incubator or 25+ accelerator programs in the country.



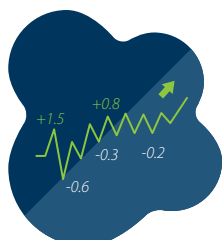
Diversified base of local institutional investors led by the

**TOP 20 PENSION FUNDS**

including the Brazilian Development Bank, government agencies, private banking and family office institutions.

**1300+ PORTFOLIO COMPANIES**

currently managed. From 2003 to 2013 over 1000 new or follow-on investments were made in PE/VC vehicles in Brazil.



More than

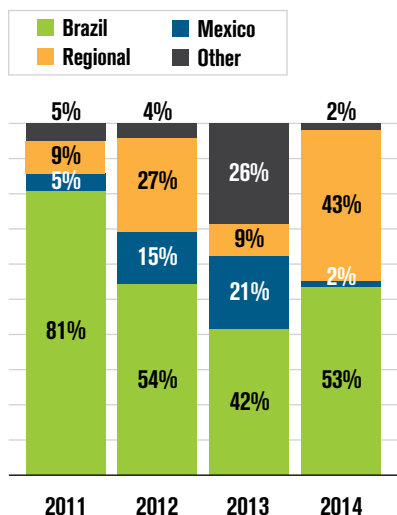
**50 PRIVATE EQUITY-BACKED IPO'S**

during the last 10 years, raising approximately R\$ 35 billion.

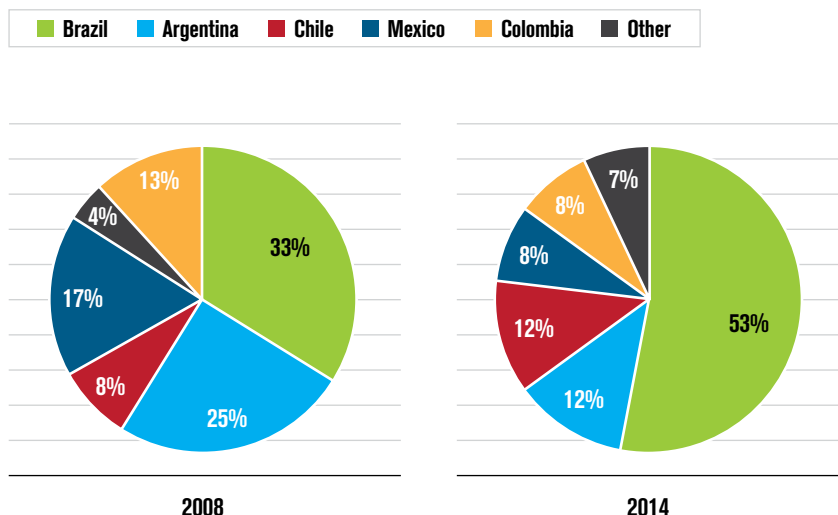
**Sources: ABVCAP, ABStartup, BMF&Bovespa, FGV-GVCEP.**

# PE/VC NUMBERS

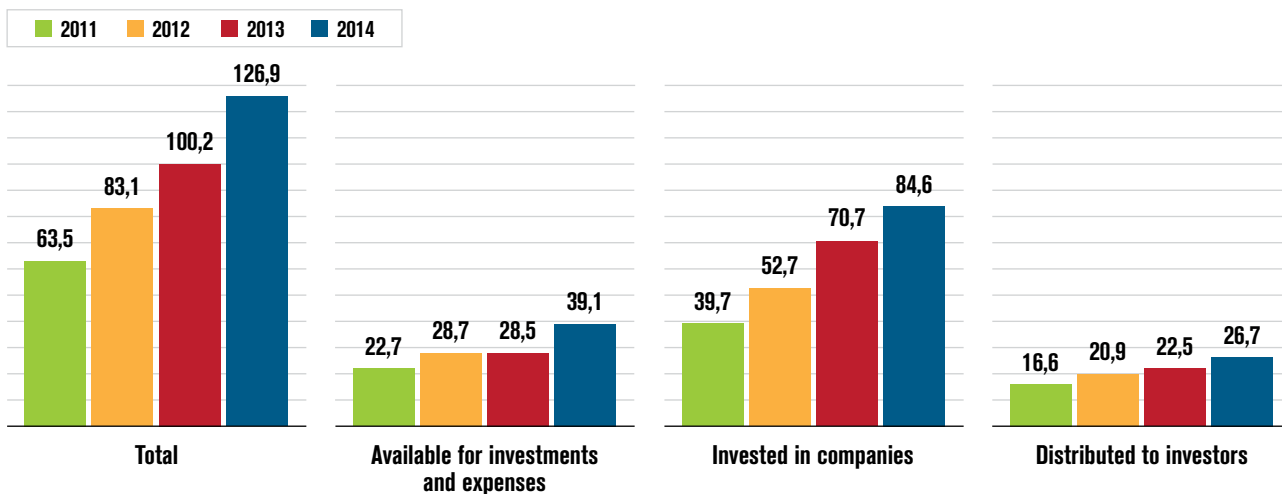
**LATAM FUNDRAISING BY GEOGRAPHIC FOCUS**



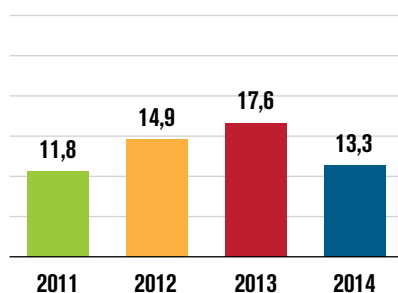
**VENTURE CAPITAL DEALS IN LATAM BY COUNTRY**



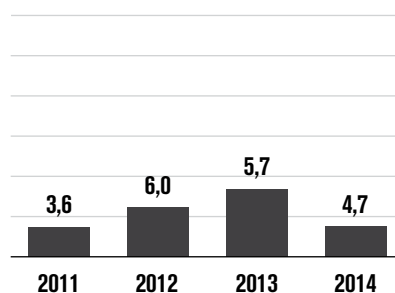
**COMMITTED CAPITAL (R\$ BILLION)**



**INVESTMENTS MADE (R\$ BILLION)**



**DIVESTMENTS MADE (R\$ BILLION)**



# SAMPLE OF VC INVESTMENTS

Q1-Q2 2015

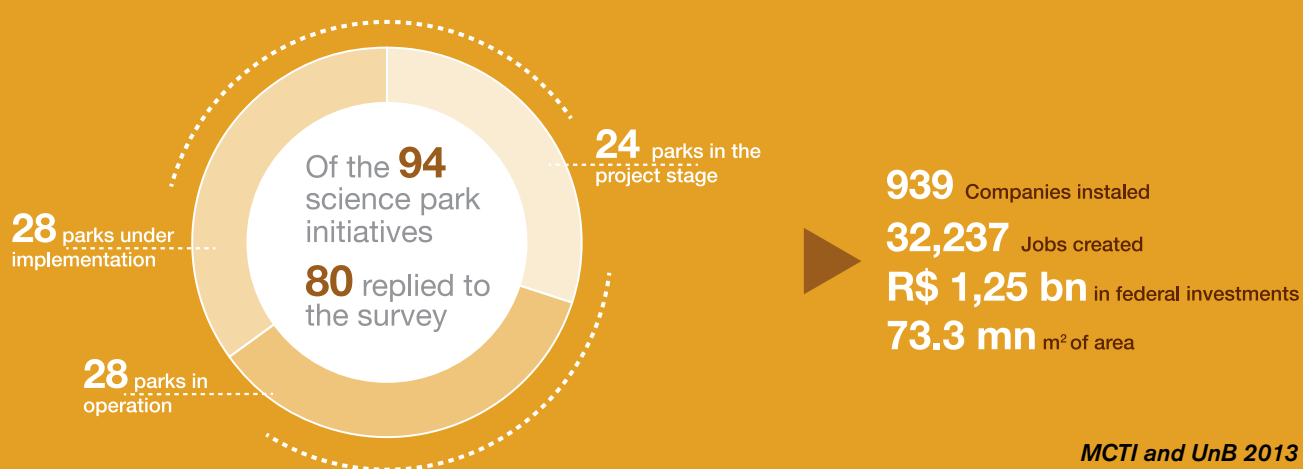
Fund Manager (s)	Company Name	Sector	Investment amount (US\$m)	Investment Date
FC Partners	HTP Solutions	IT	0.83	Jan - 15
Grow Ventures e C2i (Grupo Senai)	Reclamação	Internet	Not disclosed	Jan - 15
Cventures Primus	Seekr	-	3.3	Jan - 15
Verus Group	Cuponeria	Internet	0.25	Jan - 15
FC Partners	Siteware	IT	0.83	Jan - 15
Valor Capital Group	SontraCargo	Mobility Service & Transport	2	Jan - 15
Astella Investimentos, Verus Group	Sophie & Juliete	E-commerce	0.73	Jan - 15
SP Ventures	Concil (Ainstec)	Software & Computer Services	0.4	Feb - 15
Rocket Internet	Tripda	Mobility Service & Transport	11	Feb - 15
Bozano Investimentos	Ventrix	Healthcare equipment & services	2	Mar - 15
Confrapar	Chefsclub	Media	0.9	Mar - 15
e.Bricks, Rhodium, 500Startup	SambaAds	Media	1	Mar - 15
Gávea Angels	Hotelquando	Tourism	0.1	Mar - 15
e.Bricks, Digital News Ventures	Rock Content	Content Marketing	2	Mar - 15
Kaszek Ventures	Dress & Go	E-commerce	Not disclosed	April - 15
Naspers	Movile	Internet	41.6	April - 15
Capital Indigo, Thayer Ventures e Mexico Ventures, Promotora Social México	TrabalhoJá	Human Resources	6.6	April - 15
Accel Partners	Eduk	Education	10	May - 15
DocuSign	Brookside Capital, Bain Capital Ventures	Digital Transaction	233	May - 15
DocuSign	Intel Capital, Dell	Digital Transaction	278	May - 15
500 Startup	Edools	Education	Not disclosed	May - 15
IdeiasNet	Officer	E-commerce	16.60	May - 15
HIX Capital	Senior Solutions	Fintech	Not disclosed	May - 15
Amadeus Capital	Descomplica	Education	7	Jun - 15
Cventures Primus	Assas	Fintech	0.66	Jun - 15
Kaszek Ventures	Contabilizei	Fintech	Not disclosed	Jun - 15
Tiger Global, Monashees Capital	GetNinjas	Internet	13.30	Jun - 15
Monashees Capital, Qualcomm Ventures	Meus Pedidos	Internet	Not disclosed	Jun - 15
Hotel Urbano	Priceline Group	Tourism	60	Jun - 15
SP Ventures	SmartBill RBM	Fintech	Not disclosed	Jun - 15
Tiger Global, Sequoia Capital, Kaszek Ventures, QED Investors	Nubank	Fintech	30	Jun - 15

# SCIENCE PARKS: INNOVATION DYNAMOS IN BRAZIL

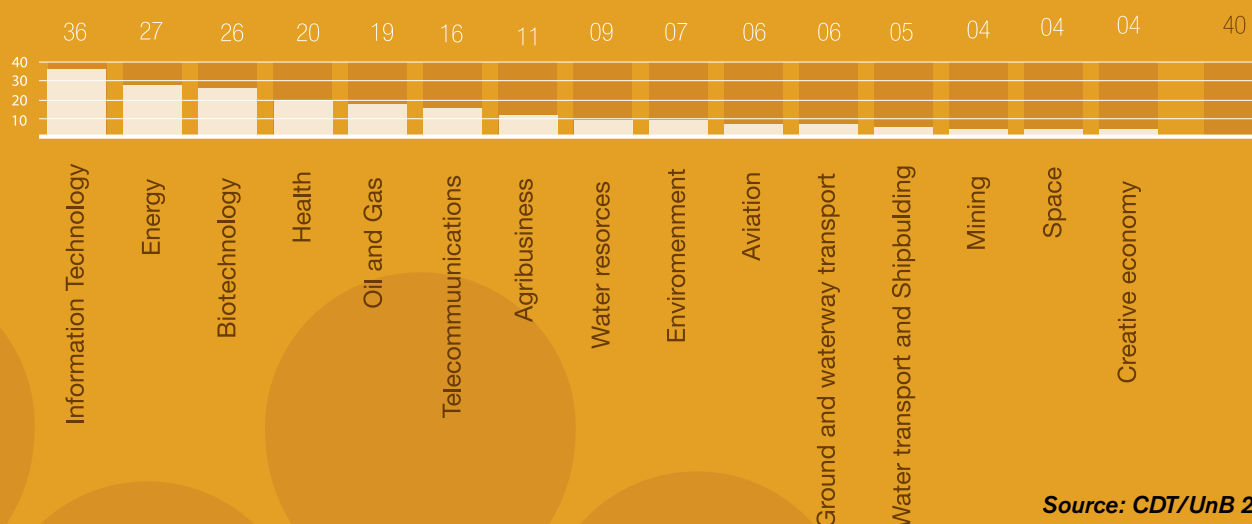
Established in Brazil since the end of the 1980s, science parks, alongside business incubators, currently operate as dynamos of the country's innovation system. They are science-and-technology-based productive complexes of a formal, concentrated and cooperative nature, comprising companies whose production is founded on knowledge. In other words, they constitute ecosystems

with a high potential for transforming knowledge into social and economic development.

According to the latest survey by the Ministry of Science, Technology and Innovation (MCTI), Brazil has almost 100 science parks with their own distinct characteristics and under a variety of models, as shown below:



## SCIENCE PARKS IN BRAZIL – MAIN AREAS OF ACTIVITY



# APEX-BRASIL BRASIL TECH PARTNERS

Find below a brief description of each Apex-Brasil Tech Partners:



## COPPE/UFRJ

COPPE/UFRJ is the post-graduation and research Centre of the Federal University of Rio de Janeiro – UFRJ known as a Brazilian pioneer in bridging scientific content to corporations and society. Since the foundation of its incubator in 1994, COPPE/UFRJ has succeeded to launch more than 100 solutions to the market out of its 56 graduated companies and current 29 residents, all specially dedicated to the O&G, Energy, IT and Cleantech sectors. Nowadays all companies together are generating R\$ 289 million in revenues and 16 of them have expanded to international markets. UFRJ is home of some large corporations R&D centers such as GE and PETROBRAS and has more than 110 research labs established in its campus, not to mention several national and international awards it has been granted for innovation.

Site: <http://www.incubadora.coppe.ufrj.br/>



## FUNDAÇÃO CERTI

The Reference Center Foundation for Innovative Technologies (CERTI) is an independent private institution dedicated to the development of innovative technology products and solutions for the Brazilian market. Founded in 1984 and with close ties with the Federal University of Santa Catarina/UFSC, CERTI operates in many fronts along its 9 Reference Centres, Tech Parks and partners. The Foundation works actively with the entrepreneurial community, supporting from ideation processes to companies establishment and growth. It all begins with the renowned R&D program Synapses, which receives around 1000 projects every program's round. The top 100 proposals begin the prototyping stage, and then the top 20 candidates join a pre-incubation/acceleration program. Celta, the foundation's incubator, incubates the best 10 companies. From 5 to 7 graduated companies receive full support of CERTI's structure to grow faster. Many areas of development are supported by CERTI, but its main competencies are Green Economy, Education, ITC, Energy, Eletromedical, Smart Systems, Mechatronics and Industrial Processes and Automation.

Site: [www.certi.org.br/](http://www.certi.org.br/)



## FUNDEPAR

Fundepar is the equity branch of Fundep, the foundation responsible to manage research and extension programs of the Federal University of Minas Gerais – UFMG. With strong ties to Inova and BHTech respectively the university's incubator and tech park, Fundepar invests in spin-offs companies founded by students, researchers and professors of UFMG, which is ranked the 6th best university in Latin America. To foster entrepreneurship, Fundepar oversees the pre-acceleration program Lemonade that stimulates 250 students and alumni to build up to 50 companies every round as well as its own accelerator, Techmall. Belo Horizonte innovation ecosystem is well known for its strengths on medtech, biotech, aeronautics, automation, engineering and IT.

Site: <http://fundepar.ufmg.br/>

## INOVA UNICAMP

Unicamp is ranked 2nd best university in Latin America and 15th best university of the world under 50 years (QS2015). Inova is the Technology Transfer Office of Unicamp. Focused on identifying and





promoting opportunities to stimulate innovation and entrepreneurship, Inova Unicamp has 935 filed patents in Brazil and abroad and 60 active licensing agreements. In addition, Unicamp accumulates 254 affiliated companies, from which 45 companies are graduated and 15 recently incubated in our local technology-based incubator (Incamp). These companies are responsible for creating more than 16,000 jobs and their annual revenue surpasses R\$ 2 billion. Unicamp's areas of expertise are: IT and Telecom, Health, Bioenergy, Chemistry, Oil & Gas.

Site: <http://www.inova.unicamp.br/>

## TECHNOLOGY PARK OF ITAIPU



Itaipu Technological Park (PTI) is a place where creation and dissemination of knowledge are the standouts. Established in 2003 by Itaipu Binacional – world's largest hydroelectric generation plant in energy generation. The park is a Brazilian hub for tech development. The PTI undertakes actions on two fronts: Regional Development and Return to Itaipu. In the first, the PTI coordinates actions targeted at the areas of Education, Science & Technology and Entrepreneurship. In the second, the PTI, in partnership with Itaipu Corporate University (CU), linked to the Corporate University Eletrobras (UNISA), operates on three pillars: Education, Corporate Research & Development and Knowledge Management. Managed by PTI Foundation, the park counts with 50 labs and R&D centers, 9 incubated companies in the Santos Dumont Incubator and 8 companies operating directly in the Business Condominium for consolidated companies, founded in 2014. All actions, efforts and structure make of PTI a favorable environment for innovation, scientific and technological development and the generation of new ventures in the areas of Automation, Energy Efficiency, Mobility, Biotech, IT, and others.

Site: <http://www.pti.org.br/en>

## TECHNOLOGY PARK OF SÃO JOSÉ DOS CAMPOS



Based in one of the most important technological poles of Brazil, São José dos Campos Tech Park is an important element of long-term strategic planning for the city of São José dos Campos and surrounding communities. It is located in an area of 25 million square meters with a nucleus of 180.000 squares meters for research and development. The Park is engaged in promoting the emergence, development and consolidation of innovative companies, operating in high technological density segments. Currently, there are 60 tech-based companies and partners institutions, where 2.000 people work in partnership with 3 Universities with more than 4.000 students. Besides, it has 5 Technology Development Centers and research institutes focused on Aeronautics, Water and Environmental Sanitation, Health, Civil Construction, and Information and Communication Technology (ICT). Applied sciences and businesses oriented to MedTech, Mobility, Digital Health, Advanced Materials, NanoTech, Cleantech, and others are available in SJC Tech Park.

Site: <http://www.pqttec.org.br/>

## TECHNOLOGY PARK DE SOROCABA



The Sorocaba Technology Park aims to spread the culture of innovation and entrepreneurship for sustainable development in the city of Sorocaba and region. The Technology Park has close ties with government, 10+ universities and more than 15 corporations to transform knowledge into wealth. Hubiz is the incubator of young companies and tech spin-offs of the Park academic and corporative partners. Currently, the incubator supports 19 residents and has developed 32 graduated companies targeting projects related to metal-mechanic, advanced materials, automotive, IT, and others. Sorocaba region and players are fostering its ecosystem to innovate on themes related to Smart Cities, Renewable Energies, Automotive and Medtech.

Site: <http://www.empts.com.br/>

# WHY BRAZILIAN ACCELERATORS DO THE DIFFERENCE

ABRAII (Brazilian Association of Innovation and Investment Accelerators Companies) was founded in 2014 to articulate the development of Brazilian's entrepreneur ecosystem. Working side by side with public entities and other associations, ABRAII coordinates activities to support fundraising for startups, provide quality credentials for Brazilian accelerators, boost technology innovation in Brazil as well as investments on innovative business models.

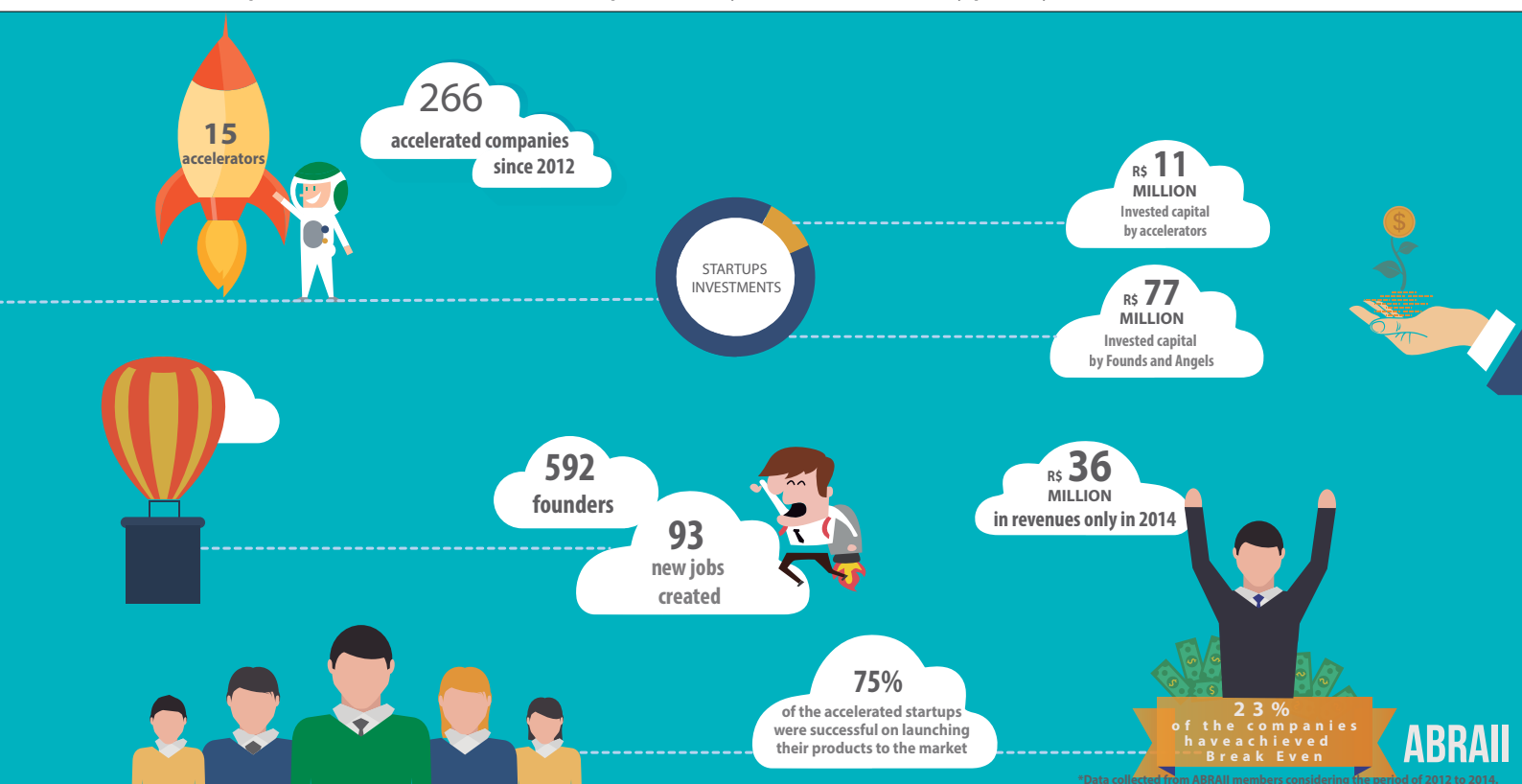
Over the last three years, through serious and consistent work, ABRAII managed to set the kickoff on what is becoming the Brazilian acceleration model of Brazilian.

It is well known that startup Accelerators are a new phenomenon all over the world and even newer in Brazil. More than a trend, ABRAII believes that good models can be demonstrated through facts and data.

With that in mind, in early 2015, ABRAII made its first study on the Influence of Accelerators in Brazilian Startup Market. It was a multidisciplinary movement that counted with the participation of the main players of national entrepreneurship ecosystem consolidating data from 2012 to 2014. Some highlights on achieved milestones are available in the infographic below:

## Startups acceleration in numbers

The impact of Brazilian accelerators in the local entrepreneurial ecosystem is a consolidated reality, proven by relevant results and success cases.



On top of that, the research has also founded out that accelerated Brazilian startups have validated their business model 45% faster that non-accelerated ones. Whether accelerator backed companies took 334 days to conclude such process, the non-backed ones needed 482 days. Another great insight reveals itself once comparing the growth rate of accelerated and

non-accelerated companies. While startups backed by accelerators have grown an average of 21,40% monthly, considering the period of three months, non-accelerated companies have grown only 4,20%

Nowadays, the main accelerators of Brazil are members of ABRAII.

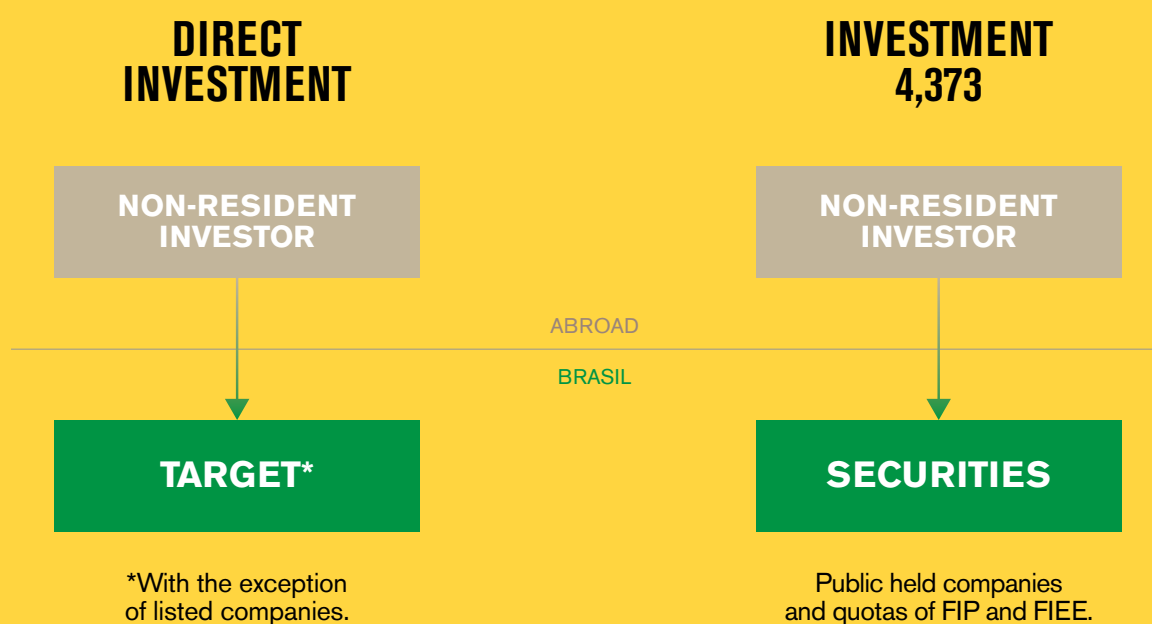
# ENTRANCE, PERMANENCE AND OUTFLOW OF FOREIGN INVESTMENT IN BRAZIL

Non-resident investors are individuals or corporate entities domiciled or headquartered abroad who/which intend to send financial or other monetary resources for investment in economic activities in Brazil.

## THE INVESTMENT MAY BE MADE BY MEANS OF:

Direct investment in a specific product or company in Brazil, or Investment 4,373, which means investing in the financial or capital markets in Brazil. This includes purchase of shares of publicly held companies, quotas of investment funds, depositary receipts, among other securities.

## DIRECT INVESTMENTS AND INVESTMENT 4,373 MAY BE ILLUSTRATED, AS FOLLOWS:



Apex-Brasil has a specific manual about procedures to entrance, permanence and outflow of foreign investment in Brazil. If you need more information regarding direct and 4,373 investment in Brazil, please let us know.

# DIRECT INVESTMENT

Direct investment is one of the alternatives for investment in private equity and venture capital in Brazil, although its application varies according to specific circumstances. Direct foreign investment in Brazil not made through an investment in the financial or capital market is regulated by Law No. 4,131.

Law No. 4,131 regulates investment of financial resources by non-resident investors in goods such as machines, equipment, or investment in certain economic activities. As a general rule, Law No. 4,131 stipulates that foreign capital must receive the same treatment given to national capital.

Thus, pursuant to the terms of Law No. 4,131, investment of foreign capital in Brazil is freely permitted although some requirements must be satisfied, including the obligation to register capital investments, remittances and reinvestments with Brazilian Central Bank ("BACEN"), with regard to the invested company and the Non Resident Investors.

Although the Brazilian legal system provides for a wide range of corporate structures, the two most common, and which foreign investors tend to adopt, are the Limited Liability Companies, Corporations and Eireli.

**Check some information about the main types of business organization in Brazil in the next session.**

Law No. 4.131 contemplates foreign capital investments in Brazil and requires foreigners to register such capital, its remittance and reinvestment with BACEN, and comply with the following rules:

- Registration of the invested company of the Direct Investment before SISBACEN – in order to make possible the access to the registry system of the Direct Investment;

- Registration of the invested company and the Non-Resident Investor with CADEMP;
- Registration of the Non-Resident Investor with tax authorities, an appointment of tax representative; and
- Registration of the direct investment with RDE of SISBACEN and registration with RDE-IED by the invested company and by the Non Resident Investor, the latter through its legal representatives.

Usually, such registries are carried out by the brokerage firms engaged by the invested company and the on-Resident Investor.

Please note that resources remitted to Brazil to acquire capital in the invested company must be converted to local currency by means of an exchange agreement to be entered into with a financial institution duly authorized by BACEN to execute exchange transactions.

The registration of the investment in RDE-IED must be made within 30 (thirty) days counted from:

- The day of the settlement of the exchange agreement or the registration of the international transactions in local currency;
- The purchase and sale agreement, in case of purchase of shares or quotas from residents in Brazil;
- The respective corporate document, in other cases.

The payment of investments by assets must be executed within ninety 90 (ninety) days counted from the respective customs clearance.

# MAIN TYPES OF BUSINESS

## LIMITED LIABILITY COMPANY (LLC)

APPLICABLE LEGISLATION	<ul style="list-style-type: none"> <li>• Law No. 10,406/2002 – Brazilian Civil Code (from Article 1,052 to Article 1,087).</li> <li>• Normative Ruling No. 98, of December 23, 2003, issued by the National Trade Registry Department (DNRC), establishing the Manual on Registry Acts of Sociedade Limitada.</li> </ul>
CLASSIFICATION	<ul style="list-style-type: none"> <li>• Business company formed by individuals or capital.</li> <li>• For-profit.</li> </ul>
LEGAL NAME	<ul style="list-style-type: none"> <li>• Corporate Name: name of one or more of company's partners + "Limitada" or "Ltda."; or</li> <li>• Denomination: corporate object + "Limitada" or "Ltda."</li> </ul>
PARTNERS COMPOSITION	<ul style="list-style-type: none"> <li>• Two or more partners.</li> <li>• Individuals or legal entities (of Brazilian or foreign origin<sup>1</sup>).</li> </ul>
ARTICLES OF ASSOCIATION / INCORPORATION	<ul style="list-style-type: none"> <li>• Articles of association/Bylaw.</li> <li>• Registry and filing at the competent Board of Trade (Junta Comercial).</li> </ul>
CORPORATE CAPITAL	<ul style="list-style-type: none"> <li>• Divided in quotas.</li> <li>• No minimum corporate capital is legally required.</li> <li>• An increase of the corporate capital is admitted as soon as all the subscribed quotas are paid. Preferential rights are granted to keep the original share of the existing partners in the corporate capital.</li> <li>• The corporate capital may be subject to reduction in the following cases: (i) occurrence of losses; or (ii) corporate capital is excessive pursuant to the company's corporate object.</li> </ul>
PAYING IN	<ul style="list-style-type: none"> <li>• The articles of association shall establish the time limit for payment.</li> <li>• Any assets shall be used for paying in, provided that they are susceptible to cash assessments.</li> </ul>
PARTNERS LIABILITY	<ul style="list-style-type: none"> <li>• Limited to the capital that has been paid in.</li> <li>• In case the corporate capital has not been fully paid in, the partners shall be deemed unlimitedly and jointly liable.</li> </ul>
CONTROL AND MANAGEMENT	<ul style="list-style-type: none"> <li>• Control defined by the number of quotas.</li> <li>• Resolutions are taken during meetings (up to 10 partners) or general meetings (more than 10 partners).</li> <li>• The company may be managed by a non-partner, should that be provisioned in the articles of association.</li> <li>• A foreigner may be appointed to be the manager provided that he/she has permanent visa and is not otherwise prevented from occupying management positions<sup>3</sup>.</li> </ul>
TERMINATION / DISSOLUTION	<ul style="list-style-type: none"> <li>• The dissolution occurs in the following cases: (i) at the end of its term; (ii) unanimous resolution of all quota holders; (iii) resolution of quota holders representing an absolute majority, in companies with an undetermined term of duration; (iv) insufficient plurality of quota holders; (v) expiration of company's license to operate; (vi) court decision; and (vii) bankruptcy (Article 1,033; Article 1,034; and Article 1,087 of the Brazilian Civil Code).</li> <li>• Judicial or extrajudicial liquidation shall take place after the company is terminated. The remaining assets shall be distributed to the quota holders proportionally to their respective quotas.</li> </ul>

<sup>1</sup> Foreign shareholding in business activities in Brazil is limited to the constitutional restrictions and constraints that discipline foreign shareholding in Brazilian companies. Normative Ruling No. 76/1998, issued by the National Trade Registry Department (DNRC), disciplines the filing of acts of commercial companies or cooperatives with foreign shareholders that are resident and domiciled in Brazil; individuals, of Brazilian or foreign origin, resident and domiciled abroad; and legal entities headquartered abroad. Its annex brings a list with business activities that are either restricted or forbidden to foreign shareholding.

<sup>2</sup> As understood by the National Trade Registry Department (DNRC).

<sup>3</sup> For further information see the Annex of the Normative Ruling No. 76/1998, issued by the DNRC (only in Portuguese).

<sup>4</sup> Individuals of foreign origin are entitled to exercise managing positions provided that they have a permanent visa. Individuals of foreign origin are entitled to be members of a company's Audit Board if they reside in Brazil.

<sup>5</sup> For further information see the Annex of the Normative Ruling No. 76/1998, issued by the DNRC (only in Portuguese).



# ORGANIZATIONS IN BRAZIL

## JOINT-STOCK COMPANY (Business Corporation)

## EIRELI (Individual Company Of Limited Liability)

<ul style="list-style-type: none"> <li>• Law No. 6,404/1976, supplemented by Law No. 10,303/2001.</li> <li>• Normative Ruling No. 100, of April 19, 2006, issued by the National Trade Registry Department (DNRC), establishing the Manual on Registry Acts of <i>Sociedade Anônima</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• Law No. 12,441/2011, which amends provisions in the Brazilian Civil Code, introducing item VI to Article 44 and Article 980-A to Book II, Special Part. Additionally, it also amends the sole paragraph of Article 1,033.</li> <li>• Normative Ruling No. 117, of November 22, 2011, issued by the National Trade Registry Department (DNRC), establishing the Manual on Registry Acts of <i>Empresa Individual de Responsabilidade Limitada</i>.</li> </ul>
<ul style="list-style-type: none"> <li>• Business corporation formed by either public or private capital (either publicly- or closely-held companies).</li> <li>• For-profit.</li> </ul>	<ul style="list-style-type: none"> <li>• Business corporation formed by either public or private capital (either publicly- or closely-held companies).</li> <li>• For-profit.</li> </ul>
<ul style="list-style-type: none"> <li>• Denomination: fictitious business name or shareholders' civil name + company's core business + "<i>Sociedade Anônima</i>" or "<i>Companhia</i>" or "S.A." or "Cia." (the latter cannot be placed at the end of corporate denomination).</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Name: holder's name + "Eireli"; or</li> <li>• Denomination: corporate object + "Eireli".</li> </ul>
<ul style="list-style-type: none"> <li>• At least two shareholders for closely-held companies and three for publicly-held ones.</li> <li>• Individuals or legal entities (of Brazilian or foreign origin).</li> </ul>	<ul style="list-style-type: none"> <li>• Only one holder – a one-man undertaking*.</li> <li>• Individual<sup>2</sup> (of Brazilian or foreign origin).</li> </ul> <p><i>*Once the individual opts for an Eireli, he/she can run only one company under that modality.</i></p>
<ul style="list-style-type: none"> <li>• Articles of incorporation/Bylaw.</li> <li>• Registry and filing at the competent Board of Trade (Junta Comercial).</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation document (private instrument).</li> <li>• Registry and filing at the competent Board of Trade (Junta Comercial).</li> </ul>
<ul style="list-style-type: none"> <li>• Divided into shares.</li> <li>• No minimum capital is required, but shareholders must integrate at least 10% of the issuance price of the shares subscribed in cash.</li> <li>• The bylaws will establish:               <ul style="list-style-type: none"> <li>- the number of shares; and</li> <li>- whether the shares will have nominal value or not.</li> </ul> </li> <li>• The corporate capital may be increased in the following cases:               <ul style="list-style-type: none"> <li>- issuance of shares provisioned in the bylaws;</li> <li>- conversion of debentures and participation certificates into shares;</li> <li>- deliberation of the Annual General Meeting regarding capitalization of profits or reserves or issuance of new shares.</li> </ul> </li> <li>• The corporate capital may be reduced in the case of loss or excessive capital pursuant to the company's corporate object.</li> </ul>	<ul style="list-style-type: none"> <li>• Given that the company relies on a sole holder, it is not required that the corporate capital is divided into quotas.</li> <li>• The minimum corporate capital may not be less than one hundred times the sum of the highest minimum salary applied in Brazil on the date of filing for registration.</li> <li>• Once it is immediately paid in, the corporate capital may be increased at any time.</li> <li>• The corporate capital may suffer a reduction, respected the minimum value required by law.</li> </ul>
<ul style="list-style-type: none"> <li>• The bylaws shall establish the time limit for payment.</li> <li>• Any assets shall be used for paying in, provided that they are subject to expert assessment.</li> </ul>	<ul style="list-style-type: none"> <li>• Statement, in the incorporation document, that the corporate capital has been fully paid in.</li> <li>• Any assets shall be used for paying in, provided that they are susceptible to cash assessments.</li> </ul>
<ul style="list-style-type: none"> <li>• No liability: share subscribed and paid.</li> <li>• Limited to the shares shareholders subscribed and have not yet paid for.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited to the capital that has been paid in.</li> <li>• Unlimited: in case the corporate capital has not yet been paid in, unobserving the required minimum value.</li> </ul>
<ul style="list-style-type: none"> <li>• Control defined by shareholders with voting rights. The controlling shareholder owns a major portion of the voting capital.</li> <li>• In compliance with company's bylaws, corporate management will be performed by the Board of Directors and the Executive Office, or solely by the Executive Office.</li> <li>• The chair of the Executive Office, whether shareholder or not, must reside in Brazil<sup>4</sup>.</li> <li>• The members of the Board of Directors may reside abroad, provided that they appoint a Brazilian-resident representative.</li> </ul>	<ul style="list-style-type: none"> <li>• Control exercised by the sole holder.</li> <li>• An Eireli may be managed by its owner or by a non-owner, as indicated on the incorporation document.</li> <li>• A foreigner may be appointed to be the manager, provided that he/she has a permanent visa and is not otherwise prevented from occupying management positions<sup>5</sup>.</li> </ul>
<ul style="list-style-type: none"> <li>• The dissolution comes into effect either by court decision or by the ruling of competent administrative authorities. Incorporation, merger and spin-off are forms of dissolution.</li> <li>• Judicial or extrajudicial liquidation shall take place after the company is terminated. The remaining assets shall be distributed to the shareholders proportionally to their respective shares.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with <i>Sociedade Limitada</i>'s rules, wherever applicable.</li> </ul>

- Credits: This document was prepared by the Legal Unit of Apex-Brasil in February, 2013. Staff: Silvia Menucci (Legal Coordinator), Patricia Gonçalves dos Santos (Legal Supervisor) and Camila Paschoal (Attorney). English version: Simonny V. Soares.
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- This document does not replace legal advice from an attorney.

# INVESTMENT 4,373

Investments by Non-Resident Investors in the financial and capital markets in Brazil, which include acquisition of shares of listed companies and quotas of investment funds, depositary receipts, among other securities, are subject to the rules provided in Resolution No. 4,373/2014, issued by the National Monetary.

Investments in Private Equity Investment Funds ("FIP") and Investment Funds in Emerging Companies ("FIEE") are the main corporate vehicles in the Brazilian legal framework for the investments in Private Equity and Venture Capital. Due to the relative flexibility and tax benefits of FIP and FIEE, they are the two most important types of investment funds used for investments in PE & VC in Brazil

## **FIP - INVESTMENTS IN PRIVATE EQUITY INVESTMENT FUNDS**

Pursuant to CVM Instruction No. 391/03, FIP is an investment fund incorporated as a closed condominium for the acquisition of permitted assets, i.e., shares, debentures, subscription bonds or other titles and securities convertible into or exchangeable for shares issued by companies, listed or non-listed. FIP participates in the decision-making process of the invested company with effective influence in defining its strategic policy and management, especially because it has the power to appoint members of the board.

## **FIEE - INVESTMENT FUNDS OF EMERGING COMPANIES**

FIEEs are regulated by CVM Instruction No. 209/1994. The FIEE is an investment fund incorporated in the form of a closed-end condominium intended for investments in a diversified securities portfolio of emerging companies. Emerging companies are defined as companies that have annual net sales or consolidated annual net income of less than one hundred and fifty million Reais (R\$ 150,000,000.00). Pursuant to the regulation, the FIEE's portfolio must maintain at least 75% (seventy five percent) of their investments in shares, debentures convertible into shares or subscription bonds of emerging companies. Unlike the FIP, the FIEE does not have as a strategy to participate in the decision-making process of the investee companies. Although the FIEE is a specific fund for investment in PE & VC, especially for transactions involving venture capital, there are just a few of FIEE registered with the CVM.

# DIRECT INVESTMENT AND INVESTMENT 4,373 COMPARATIVE TABLE

DIRECT INVESTMENT		INVESTMENT 4,373		
MAIN REGULATION	Federal Law No. 4.131		Resolution No. 4,373, issued by the CMN	
IMMEDIATE TARGET	Corporate equity holdings (Limited Liability Companies and Closely Held Corporations)		Financial and capital markets as shares of open Corporations and investments in FIP and FIEE	
KEY FEATURES	LIMITED LIABILITY COMPANY	CLOSELY HELD CORPORATION	PUBLIC CORPORATION	FIP/FIEE
	Simple, flexible and economic corporate structure	Shares cannot be negotiated in the market	Shares are registered with CVM for listing or for trade over-the-counter.	Relative flexibility and tax benefit for Non- Resident Investors
TAXES	ENTRANCE OF FUNDS			
	ITPJ (15% - increased by an additional 10% levied on any amount exceeding R\$ 20,000.00 multiplied by the number of months of the ascertaining period) CSLL (9%) PIS/COFINS: cumulative (3,65% on the gross revenue) or non-cumulative (9,25% on the gross revenue) Funding via capital: IOF/Exchange (0,38% on the converted values) Funding via instruments of convertible debt, debentures and loan agreements: IOF/Credit (0,0041% per day + 0,38%)		Investor: I.T. (15% on capital gain)  Funds: I.T. (0%); IOF/Securities (0%)  IOF/Securities Tax: (1% per day)  IOF/Exchange Tax: (0%)	
	PERMANENCE OF FUNDS DURING THE INVESTMENT			
	IOF/Exchange tax: (0% if the investment is for less than 180 days) Dividends: I.T.P.J. (15% of WHT or 25% of WHT, in case the beneficiaries are domiciled in a FTJ) Interest on net equity: IRRF (15% of WHT or 25% of WHT, in case the beneficiaries are domiciled in FTJ) Interest on debt: IRRF (15% of WHT or 25% of WHT, in case the beneficiaries are domiciled in a FTJ) Royalties: • IRRF (15% of WHT or 25% of WHT, in case the beneficiaries are domiciled in a FTJ) • CIDE (10%) • IOF/Exchange (0,38% on the converted values) Import of services: • IRRF (25% for general services and 15% on technical services) • ISS-Import tax (between 2% and 5%) • PIS-Import (1,65%) • COFINS-Import (7,6%) • IOF/Exchange tax (0,38% on the converted values)		IOF/Exchange (0% if the investment is for less than 180 days) Dividends: IRRF (15% of WHT or 25% of WHT, in case the beneficiaries are domiciled in FTJ) Interest on net equity: IRRF . (15% of WHT or 25% of WHT, in case the beneficiaries are domiciled in a FTJ) Interest on debt: IRRF. (15% of WHT or 25% of WHT, in case the beneficiaries are domiciled in FTJ) Royalties: • IRRF (15% of WHT or 25% of WHT, in case the beneficiaries are domiciled in FTJ) • CIDE (10%) • IOF/Exchange tax (0,38% on the converted values) Import of services: • IRRF (25% for regular services and 15% on technical services) • ISS-Import tax (between 2% and 5%) • PIS-Import tax (1,65%) • COFINS-Import tax (7,6%) • IOF/Exchange tax (0,38% on the converted values)	
	OUTFLOW OF FUNDS			
Capital gain in the disposal of the invested company: • IRRF (15%)		Capital gain on the disposal of quotas: • IRRF (0%, if all requirements are satisfied)		

# HOW APEX-BRASIL CAN ASSIST FOREIGN INVESTORS?

## APEX-BRASIL PORTFOLIO

Apex-Brasil supports 11,000 Brazilian companies from 80 different industries and has a database of investment projects with potential to receive private equity/venture capital, which are supposed to be introduced to international and domestic investors during investment missions and seminars held in Brazil and abroad. The selected companies follow a methodology created by the University of São Paulo (FEA/USP) for the construction of business plans focused on private equity/venture capital investment attraction.



Corporate Venture in Brasil is a program to stimulate the Brazilian investment and innovation ecosystem to embrace the corporate venturing culture. On top of that, aiming to provide international venturing units with tools and channels to understand the market and interact with the different players, Apex-Brasil and its partners have joined efforts to build nine Aftercare Services. They are set to assist corporates that are wondering whether Brazil can be a quality source of technology and deal flow regarding their innovation needs.



In partnership with the Brazilian Private Equity and Venture Capital Association (ABVCAP), Apex-Brasil is supporting a group of initiatives designed to connect international investors (LPs) with local managers (GPs) to promote an increase in foreign investment in the local Private Equity and Venture Capital industry, thus strengthening the growth of Brazilian companies of different sizes and in a variety of industries, through investments in private equity and venture capital funds.

The project has already successfully supported more than 90 managers and companies, raising approximately US\$4 billion in foreign investment. In light of the experience it obtained, today the project is structured to meet the needs of fund managers for seed and venture capital as well as for private equity, each with a specific set of actions designed to support fund raising campaigns on the international market, exchanging best practices with global industry and strengthening and positioning Brazilian industry among this class of assets on the international stage.

# APEX-BRASIL PARTNERS



## ABRAII

The Brazilian Association of Companies Accelerator for Innovation and Investment was founded to coordinate the development of the Brazilian entrepreneurial ecosystem. ABRAII represents the best and most active Brazilian accelerators aiming to support startups to mature, generate revenues and grow. The association works closely to public and private players such as the government, NGO's, academy and investors in order to provide the investor community with best deals and programs to foster the local ecosystem and to grant accessibility to a larger number of startups.

Site: <http://www.abraii.net/>



## ABSTARTUP

The Brazilian Startup Association, founded in 2011, is a nonprofit organization with more than 3500 startups registered that encourages technological entrepreneurship initiatives and works towards the development, promotion and representation of new Brazilian companies.

Site: <http://www.abstartups.com.br/>



## ABVCAP

Founded in 2000, ABVCAP is a non-profit organization that represents more than 200 professionals active in the Brazilian private equity and venture capital industry. ABVCAP promotes the development of long-term investments by improving industry conditions, advancing understanding about the industry and fomenting best practices that are aligned with international industry standards. The Private Equity & Venture Capital in Brazil program operates as a joint initiative between ABVCAP and Apex-Brasil with the goal of informing and connecting international investors with Brazilian fund managers and portfolio companies. The program is free of charge for both global investors and local fund managers actively looking for foreign investment. It does not represent any third-party groups except the Brazilian private equity and venture capital industry at large. Our aim is to inform and empower the global investor community in respect to the Brazilian PEVC ecosystem and its many opportunities.

Site: <http://www.abvcap.com.br/>



## ANJOS DO BRASIL

Anjos do Brasil is a non-profit angel investor network dedicated to foster angel investment for supporting innovative entrepreneurs in Brazil. It was founded by Cassio Spina, an entrepreneur and an angel investor with over 25 years of experience in tech industry. Receiving support of major Brazilian institutions related to entrepreneurship and investments, such as Endeavor Brasil, ABVCAP, BM&F BOVESPA, FIESP/CJE, Brazil Innovators, etc, Anjos do Brasil is committed to connect investors with entrepreneurs in order to help growing new business in Brazil. We also maintain relations with major VC investment funds, in order to exchange investment opportunities between our members and them. We promote events for our members and for entrepreneurs, for both educating the community and connecting people, in order to empower their relations. We also support the creation of regional branches of angel groups by applying our expertise and infrastructure.

Site: <http://www.anjosdobrasil.net/>



## ANPEI

The National Association for the Research and Development of Innovative Companies (ANPEI) is the only Brazilian independent multisectoral association, which gathers companies and professionals that practice innovation, create value and generate new high-value businesses. Our associates account for 80% of Brazilian R&D private investment and 60% of the national GDP. They are leaders and members of major national and global industrial supply chains, high performance startups (Small Business), major R&D Centers and universities. Anpei's mission is to stimulate technological innovation and promote the competitiveness of Brazilian companies in a global economy.

Site: <http://www.anpei.org.br/>





## ANPROTEC

Established in 1987, the Brazilian Association of Science Parks and Business Incubators (Anprotec) has approximately 300 members, including business incubators, science parks, education and research institutions, government bodies and other entities focused on entrepreneurship and innovation. As the leader of the movement in Brazil, the Association operates through training activities and the articulation of public policies as well as the generation and propagation of knowledge. Currently, Brazil has 400 business incubators and approximately 90 science parks initiatives. Anprotec, together with the various partners involved in each of its initiatives, continues to do everything possible to ensure that innovative entrepreneurship makes a decisive contribution to Brazil's sustainable development.

Site: <http://anprotec.org.br/>



## BNDES

The Brazilian Development Bank (BNDES) is the main financing agent for development in Brazil. Since its foundation, in 1952, the BNDES has played a fundamental role in stimulating the expansion of industry and infrastructure in the country. Over the course of the Bank's history, its operations have evolved in accordance with the Brazilian socio-economic challenges, and now they include support for exports, technological innovation, sustainable socio-environmental development and the modernization of public administration. The Bank offers several financial support mechanisms to Brazilian companies of all sizes as well as public administration entities, enabling investments in all economic sectors. In any supported undertaking, from the analysis phase up to the monitoring, the BNDES emphasizes three factors it considers strategic: innovation, local development and socio-environmental development.

Site: <http://www.bndes.gov.br/>



## BRASIL VENTURES

Brasil Ventures is the largest discussion group focused on Corporate Venturing in Latin America, founded by AceleraCorp ([www.aceleracorp.com.br](http://www.aceleracorp.com.br)) and top tier organizations, such as Natura, Itaú, 3M, Braskem, Mercedes-Benz, Algar and Intercement. By discussing national and international cases through a bimonthly-2-hour-meeting format, more than 60 senior executives and opinion leaders share their programs and challenges, in order to learn - and seed - best practices to interact with the startups.

Site: [www.grupobrasilventures.com.br](http://www.grupobrasilventures.com.br)



## GÁVEA ANGELS

Gávea Angels is a non-profit organization targeting to promote the development of startups located in the city of Rio de Janeiro and in a radius of 200km away of it. Being the oldest angel network operating in Latin America, Gávea Angels partners have already evaluated more than 600 projects and invested in 13 deals. Its 31 members have expertise on scaling up digital and traditional companies to achieve high standards and growth levels in the sectors of Medtech, NanoTech, CleanTech, IT, Retail, Games, Education, Fintech, Ad-Tech and others. Every quarter of the year, its Operations Committee selects three startups so that entrepreneurs can present their companies to Gávea Angels members.

Site: <http://www.gaveaangels.org.br/>



## GLOBAL CORPORATE VENTURING

Mawsonia is a global, multimedia publishing group dedicated to serving the intermediaries, such as corporations, universities and governments, directing funding to entrepreneurs in the innovation economy. Its Global Corporate Venturing publication is a trade magazine and website with news and events and data for the 1,100 in-house venture capital units of businesses.

Site: [www.globalcorporateventuring.com](http://www.globalcorporateventuring.com)



## HBS ALUMNI

HBS Alumni Angels started in 2007 as a special interest group of the HBS Association of Northern California. Since then, similar groups have been formed around the world, and in 2010, HBS Alumni Angels became a global alumni organization that today comprises 15 chapters in 8 countries and collectively has invested in over 100 high-potential early stage companies. In Brazil, the local chapter is called HBS Alumni Angels of Brazil. Founded in 2012, it currently has more than 100 members with 4 portfolio companies, representing more than R\$ 5 Million deployed in a syndicated format, and has contributed mentoring and advising a significant number of start-ups through its educational activities.

Site: <http://www.hbsalumniangels.com/>



## INOVATIVA BRASIL

InovAtiva Brasil is a federal government program, led by the Ministry of Development, Industry and Foreign Trade, to foster entrepreneurship and accelerate early stage startups with the support of its on-line networks of mentors and digital training courses. The most developed startups get the chance to connect with investors, clients, take part on internationalization activities and have access to potential special credit funding out of other partners such as BNDES. Almost 100 companies have concluded the program's acceleration cycles in 2013 and 2014.

Site: <http://www.inovativabrasil.com.br/>

Ministry of  
Science, Technology  
and Innovation

## MCTI

The Ministry of Science, Technology and Innovation (MCTI) is the branch of the Brazilian government in charge of the national policy for innovation, scientific and technological research; planning, coordination, supervision and control of activities related to science and technology; IT and automation development policy; national biosafety policy; space policy; nuclear policy; and export control of sensitive goods and services. MCTI carries out its activities through a set of institutions comprised of research funding agencies, units for scientific, innovation and technological research, and State-owned enterprises, conducting researches and studies that translate into knowledge and new technologies, as well as the development of products, processes, and patents.

Site: [www.mcti.gov.br](http://www.mcti.gov.br)

Ministry of  
Development, Industry  
and Foreign Trade

## MDIC

The Brazilian Ministry of Development, Industry and Foreign Trade (MDIC) plays a key role in the development and implementation of structural policies for the national industry, commerce and industry innovation. The Ministry's mission is to formulate and implement public policies targeting to promote competitiveness in the aforementioned fields, investment attraction, industry innovation, and consumer welfare. Its activities include a) developing policies for industry, commerce and services; b) fostering innovation and attracting research centers to Brazil; c) developing policies for foreign trade and industry innovation; d) applying trade defense mechanisms; and e) leading foreign trade negotiations. Metrology, quality of products, intellectual property and technology transferring are also other MDIC's competencies. Important branches of the Brazilian government are linked to the Ministry, such as: the Brazilian Development Bank (BNDES), the Brazilian Trade and Investment Promotion Agency (Apex-Brasil), the Agency for Industrial Development (ABDI), the Superintendence of the Manaus Free Trade Zone (SUFRAMA), the National Industrial Property Institute (INPI) and the National Institute of Metrology, Quality and Technology (Inmetro).

Site: <http://www.mdic.gov.br/>



## START-UP BRASIL

Start-Up Brasil, a National Startup Acceleration Program, is an initiative of the Brazilian Federal Government, created by the Ministry of Science, Technology and Innovation, managed by Softex and in partnership with accelerators, to support new technology-based companies: startups. The selected startups receive government grants up to R\$ 200K, plus financial investments and access to services such as infrastructure, mentoring and training by an accredited accelerator in exchange for an equity percent. Currently, Start-Up Brasil portfolio supports 183 startups from Brazil and 13 different countries.

Site: <http://startuptoolsil.org.br/>