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This is to certify that I, Marco Antônio Rochadel, Official Public Translator, designated and installed in Office according to The Official Gazette of June 23, 1982, page 5428, have received and translated, to the best of my knowledge and belief, a document with the following contents:

DECREE Nº 7600, OF NOVEMBER 07, 2011

published in the Federal Official Diary of 11.08.2011

Changes Decree nº 6233, of October 11 , 2007, which sets criteria for qualification to *Programa de Apoio ao Desenvolvimento Tecnológico da Indústria de Semicondutores – PADIS*, the Semiconductor Industry Technological Development Supporting Program – PADIS, established by Articles 1 to 11 of Law nº 11484, of May 31, 2007.

THE PRESIDENT OF THE REPUBLIC, using the powers vested in her by Article 84(IV) of the Constitution, in view of provisions of Articles 1 to 11 of Law nº 11484, of May 31, 2007,

DECREES:

Article 1. Decree nº 6233, of October 11, 2007, is hereafter effective with the following changes:

Article 2. (...)

(...)

IV - Import Tax – II charged, on inputs imported by a legal entity beneficiary of PADIS, on machines, devices, instruments, pieces of equipment, computational tools – software, to be

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merged to the legal entity permanent assets, targeted to activities mentioned in Article 6(I) and (II) hereof, under the terms and conditions set by Article 13 and 23-A hereof.

(...)” NR

“Article 6. (...)

(...)

Paragraph 5 Provisions of this Article 6(I) includes semiconductor electronic devices of NCM positions 85.41 and 85.42, assembled and encapsulated by the chip on board method directly under the printed circuit board classified under NCM code 8534.00.00 of, provided the result is a product classified in NCM position 85.42 or sub-position 8523.51.

Paragraph 6 For the purposes of this Decree, assembling and encapsulation of a chip on board mentioned by Paragraph 5 above, is an encapsulating activity mentioned in this Article 6(I)(c).” (NR)

“Article 7 (...)

(...)

Paragraph 2 Projects may be submitted no later than January 22, 2015.

Paragraph 3 Procedures for analysis of the projects shall be established by a joint act of the Ministers of State of Finance; Science, Technology and Innovation; and Development, Industry and Foreign Trade.

(...)” (NR)

“Article 8 (...)

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(...)

Paragraph 4 Any prepayment made to third parties on account of research and development activities mentioned by Paragraph 1 above shall be deemed as investment in research and development made in the calendar year, provided the related values do not exceed twenty percent of the corresponding obligation in such calendar year.” (NR)

“Article 9. A legal entity beneficiary of PADIS shall forward to the Ministry of Science, Technology and Innovation, no later than July 31 each year, report evidencing the entity’s compliance, over the previous calendar year, with the obligations set in this Decree.

Paragraph 1 Reports mentioned in this Article 9 shall be prepared under the instructions supplied by the Ministry of Science, Technology and Innovation.

Paragraph 2 When preparing the reports mentioned in Paragraph 1 above, the legal entity may submit a simplified report in lieu of a statement of expenditures envisaged in Article 10-B(IV) to (X) hereof, showing the following percentages applied to the aggregate of other expenditures made in research and development activities and information technology development:

- I - thirty percent for projects conducted under agreement with education and research institutions accredited by CATI and CAPDA; and
- II - twenty percent for other cases.

Paragraph 3 Selection of the simplified report mentioned in Paragraph 2 above replaces the statement of same-nature expenditures of the aggregate projects conducted in the base-year.

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Paragraph 4 Percentages mentioned in Paragraph 2 above may be changed by act of the Minister of State of Science, Technology and Innovation.

Paragraph 5 Reports shall be reviewed by the Ministry of Science, Technology and Innovation, which shall forward the results of its technical assessment to the related legal entities and to *Secretaria da Receita Federal do Brasil*, the Brazilian Federal Revenue Service.

Paragraph 6 Procedures and times for revision of reports shall be defined by Directive of the Ministry of State of Science, Technology and Innovation.” (NR)

“Article 13. Application of reduced tax rates benefit mentioned by Article (2)(I) to (III) hereof is limited to imports and purchases conducted in the domestic market, of:

(...)

Paragraph 1 The reduced tax rate benefit of Import Tax envisaged by Article 2(IV) hereof includes imports of machines, devices, instruments, pieces of equipment, inputs, and computational tolls related to Annex (II) to (IV) hereto, conducted by legal entities qualified by PADIS, provided their import operations are accompanied by a document issued by the Ministry of Science, Technology and Innovation jointly with the Ministry of Industry, Commerce and Foreign Trade, certifying that the operations are targeted to PADIS.

Paragraph 2 The document mentioned by Paragraph 1 above, jointly issued by the Ministry of Science, Technology and Innovation and the Ministry of Development, Industry and Foreign Trade, shall be effective for six months after the date thereof.” (NR)

“Article 23. Provisions of Article 2(I) to (III) and Article 4(I) and (II) hereof shall be effective until January 22, 2022.” (NR)

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Article 2. The following additional provisions are added to Decree 6233, of 2007:

“Article 10-A. The following are deemed to be research and development activities in areas of microelectronics; semiconductor devices and information displays mentioned in Article 2(I) and (II) of Law nº 11484, of May 31, 2007; optoelectronic devices; computational tools – software – support to projects; and project methodologies and manufacturing process of such devices mentioned in of Article 2, Paragraph 4, of Law nº 11484, of 2007, for the purposes of Article 6 of Law nº 11484, of 2007:

I - Theoretical or experimental work systematically conducted to acquiring new knowledge, aimed at a specific purpose, discovering new applications or gaining full and accurate understanding of the underlying foundations of facts and phenomena observed, with no previous definition regarding the practical use of the results;

II - Systematic work using knowledge acquired in the course of the research or practical experiment to develop new materials, products, devices or computer programs, to implement new processes, systems or services, or to improve those already produced and implemented, incorporating innovative features;

III - Advisory, consultancy, studies, essays, metrology, standardization, technologic management, invention and innovation encouragement, technology transfer, management and control of intellectual property created within research and development activities, provided that such services are associated to any of the activities envisaged by this Article 10-A(I) and (II);
and

IV - Vocational training and preparation at secondary or higher education level:

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- (a) for personnel training and development in microelectronic technologies, information displays and related technologies;
- (b) for training and development of personnel involved in activities mentioned by this Article 10-A(I) to (III); and
- (c) for undergraduate and graduate vocational training, under the provisions of Article 27(III) of Decree nº 5906, of 2006.

Paragraph 1. For the purposes of Article 6 of Law nº 11484, of 2007, international and inter-regional scientific and technologic interchange shall be admitted as supplementary activity to the conduction of a research and development project.

Paragraph 2. Research and development activities conducted by a legal entity beneficiary of PADIS shall be evaluated through outcome indicators such as:

- I - patents filed in Brazil and abroad;
- II - granting of co-authorship or participation in the research and development results to compacting institutions;
- III - prototypes, processes, computer programs and products incorporating scientific or technologic innovation;
- IV - peer-reviewed scientific and technologic articles published in scientific periodicals or events;
- V - dissertations and theses defended;
- VI - trained professionals; and

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VII - improvement of employment and income and promotion of social inclusion.” (NR)

“Article 10-B. Expenditures incurred in carrying out or hiring activities mentioned in Article 10-A, provided such activities refer, without prejudice to other correlates, to the following items, shall be taken as research and development outlays for the purpose of the obligations envisaged in Article 6 of Law nº 11484, of 2007:

I - use of computer programs, machines, pieces of equipment, devices and instruments, including accessories, spare parts and tools thereof, as well as installation services of such machines and pieces of equipment;

II - implementation, enlargement or modernization of research and development laboratories;

III - modernization of manufacturing process;

IV - direct personnel;

V - indirect personnel;

VI - purchase of books and technical periodicals;

VII - consumption materials;

VIII - travels;

IX - training; and

X - technical services provided by third parties.

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Paragraph 1. Except for installation services, for the purpose of uses envisaged by Paragraph 6 expenditures mentioned by this Article 10-B(I) shall be computed according to the respective resource depreciation, amortization, hiring or assignment of right-of-use values of such resources, corresponding to the period of their respective use in conducting research and development activities.

Paragraph 2. permanent or over five years assignment of material resources to education and research institutions accredited by CATI or by CAPDA, required to the carrying out of research and development activity, shall be computed when assessing aggregate expenditures:

I - at their production or purchase value, taking into account the related cumulative depreciation; or

II - at fifty percent of the market value of the material resource, calculated based on valuation report;

Paragraph 3. compacts mentioned in Article 8, Paragraph 2 hereof shall include up to twenty percent of the aggregate expenses in each project to account for refunding costs incurred by education and research institutions accredited by CATI or by CAPDA, and constitution of reserve to be used by such institutions in research and development of information technology.

Paragraph 4. for the purpose of expenditures envisaged by Article 8, Paragraph 2, hereof, the full amount related to expenditures mentioned by such Article 8(I) to (III) may be computed, keeping the institution's commitment to use the items so purchased in research and development activities up to the completion of the depreciation period.

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Paragraph 5. legal entities and education and research institutions involved in research and development activities, complying with the provisions of Article 8 above, shall keep specific accounting records of operations related to such activities.

Paragraph 6. technical and accounting documentation related to activities mentioned by Paragraph 5 above shall be kept for a period not less than five years from the date the reports mentioned by Article 9 hereof are submitted.” (NR)

“Article 10-C. For outsourced manufacturing under agreement with a legal entity beneficiary of PADIS, the contracting entity may assume the obligations envisaged by Article 8 hereof corresponding to the invoicing related to the selling of semiconductor devices, information displays, benefited by PADIS, earned by the contractor beneficiary of PADIS from the contracting party, under the following conditions:

I - the transfer of obligations related to expenditures in research and development from the contracting party to the contractor beneficiary of PADIS shall not exempt such contractor from the responsibility related to compliance of obligations envisaged by Articles 9 and 10 hereof;

II - the contractor beneficiary of PADIS is subject to the penalties mentioned in Article 11 hereof in case it defaults the related obligations;

III - the transfer of obligations may be either a full or a partial transfer;

IV - when assuming the obligations related to the investment in research and development of the contractor beneficiary of PADIS, the contracting party assumes the responsibility of submitting, to the Ministry of Science, Technology and Innovation, such contracting party’s

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Research and Development Plan in Microelectronics or Displays, as envisaged in Articles 6 and 8 hereof, and the reports accounting for compliance of the assumed obligations; and

V - in case of default of the provisions of this Article 10-C(IV) above, the Ministry of Science, Technology and Innovation shall not ratify the transfer of obligations agreed between the legal entities, remaining the contractor beneficiary of PADIS responsible for the obligations assumed in the context of the PADIS benefit granting.” (NR)

‘Article 10-D. For the purpose of the provisions of Article 6, Paragraph 2, of Law nº 11484, of 2007, and Article 8, Paragraph 2, hereof, the following institutions are held as official and accredited research center or Brazilian educational institution:

I - research centers of institutes maintained by the public direct or indirect administration bodies and entities, foundations established and maintained by the Public Administration and remaining organizations under the direct or indirect control of the Federal, State, Federal District or Municipal administration, which carry out research and development activities in information and communication technologies;

II - research centers or institutes, foundations and remaining private organizations, which carry out research and development activities in information and communication technologies and comply with the following requirements:

(a) non-distribution of any part of their assets or income, as profits or share of results, under whatever form, to their officials, partners or maintainers;

(b) investment its funds in implementing projects within the country, with a view to maintaining their institutional targets; and

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(c) assigning their assets, in case of dissolution, to a similar entity or entities within the country, which complies with the requisites mentioned in this Article 10-C; and

III - Brazilian educational entities complying with the provisions of the Brazilian Constitution Article 213(I) and (II), or Brazilian educational entities maintained by the Public Administration as defined in the Brazilian Constitution Article 213(I), featuring courses in the area of information technology and microelectronics, such as computer science, data processing, electrical engineering, electronics, mechatronics, telecommunications, physics, chemistry and related sciences, accredited by the Ministry of Education.” (NR)

“Article 10-E. The Ministry of Science, Technology and Innovation may request, in supervising compliance with the obligations foreseen in this Decree, conduction of inquiries and audits in companies and education and research institutions and, in addition, may require, at any time, submission of information on activities conducted.” (NR)

“Article 10-F. The Ministry of Science, Technology and Innovation, upon consultation with the Ministries concerned with the matter to be regulated, may deliberate and issue instructions supplementary to the carrying out of this Decree.” (NR)

“Article 10-G. Outcomes of research and development activities may be disseminated, provided such dissemination is conducted under previous authorization of the entities involved.” (NR)

“Article 23-A. Provisions of Article 2(IV) shall be effective:

I - up to January 22, 2022, for projects related to activities mentioned:

(a) on Article 6(I)(a) or (b); or

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(b) on Article 6(II)(a) or (b);

II - up to December 31, 2020, for projects related solely to activities mentioned in Article 6(I)(a) or Article 6(II)(c).” (NR)

Article 3. Annex I to IV of Decree 6233, of 2007 become effective with the wording of Annex I to IV of this Decree.

Article 4. This Decree shall be effective upon publication.

Brasília, November 07, 2011, 190th of the Independence and 123rd of the Republic.

DILMA ROUSSEFF

Guido Mantega

Alessandro Golombiewski Teixeira

Aloizio Mercadante

[Reverse of the nine pages of the original document blank.]

In Witness Whereof, I have hereunto set my hand and seal in this City of Brasília, Federal District, Brazil, this Friday, June 29, 2012.

Fees according to

Official Gazette of 04/15/2011

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Marco Antônio Rochadel

Public Translator