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ARAÚZ & ADVOGADOS ASSOCIADOS

20202020

ANNUAL REPORT



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Summary

Message from the Founding Partner **06**

Our 20 years **08**

Our numbers in 2020 **11**

Acknowledgments **12**

People, our greatest asset **14**

Global Compact **16**

Araúz DNA **18**

COVID-19 and the new normal **22**

Social networks **24**

Our woman **26**

Our branches **28**

Our first offsite **32**

Events and Webinars **34**

Published books **37**

Internal campaigns **38**

Our teachers **40**

Projects and improvements **42**

Agribusiness credit securities **46**

Our articles **48**

Conversation with Roberto Rodrigues **52**

2021 Agribusiness Vision **56**

Leadership **60**

Fields of work **61**

Message to our team **61**

Message from

the founding partner

2020, a year that will go down in history. For Araúz Advogados, 2020 would already be a special year. The 20 years of a law firm, twenty years of doing things differently, of making a difference. Not just that, it was the year in which one of the biggest crises of the 21st century came to light and created difficulties, sadness for some, challenges for others, but also new opportunities.

As a characteristic incorporated into the DNA of Araúz Advogados, values such as resilience, creativity, innovation, and humanity were highlighted in our internal relationships and with our clients in the past year.

Our legacy over these 20 years has been built in the field, in factories, on the streets, traveling the world to go further than many imagined. We knew how to be humble and patient, until we tamed the beasts, climbed on their shoulders, and contemplated the opportunities we didn't even know existed.

We took on risks, challenges, and commitments as if we were big, even before we were. Like a sculpture that was once rough stone, everything we needed was already there, within our DNA, and nothing could stop us! Therefore, the 2020 global crisis made us stronger.

We drove forward and with each battle, more soldiers believed in our cause. Today we are many, with the same purpose: "Act within the law, but out of the box."

Our rules are clear, so it's easy to follow them:

- we don't put our interests ahead of those of our clients.
- our positions and work should be embedded with truth.
- we do not disrespect the dignity of people.
- we operate in productive projects.
- we should think big.

That's why, within this purpose, in this year of crisis and difficulties, we try to be, as we always have been, close to our employees,

partners and clients, supporting their businesses and making our presence known, even from afar.

We feel the positive results up close by investing in technology, state-of-the-art equipment and taking care of our relationships, always closely.

We are proud of having managed to stand firm, as good tools for problem solving and new opportunities for everyone who stayed with us. Growing 57.5% in revenue - in an atypical year - demonstrates the strength we have, the will to fight.



Our 20 years



We began our story 20 years ago, with a favorable economic scenario, optimistic about the recovery of the economy and the opportunity to conduct new demands and business. We started with just nine lawyers, and with countless events - political and economic - over the years that have transformed the country and the world. We work alongside our clients, seeking to exercise of law in an innovative and dynamic way.

In the year we celebrate our 20th anniversary, we experienced a drastic structural, economic, social, and cultural change in the world. A troubled year and a scenario of low expectations. But, once again, we faced this challenging period together, dedication ourselves to business and effectively meeting the interests of each client.

"With the accelerated flow of information, customer demands must be met almost immediately, in a qualified manner. On the other hand, it facilitated access to extension and specialization courses, enabling legal professionals to increasingly improve their respective interests," says Edgar Speck .

**The office grew,
but the care for
our clients is still
the same.**



We have the security of having a panel of qualified professionals who are dedicated to delivering the best results in a creative, agile, and simple way. We always count on the support and ethics of our employees, who in these 20 years have helped us build history.



"It is currently possible to foresee the consolidation of the office in a national scenario over the next two decades. Our performance in agribusiness has opened the door for us to take our legal services anywhere, simply by acting hand in hand with ethics, commitment to clients and passion for what we do," says Clóvis Suplicy.

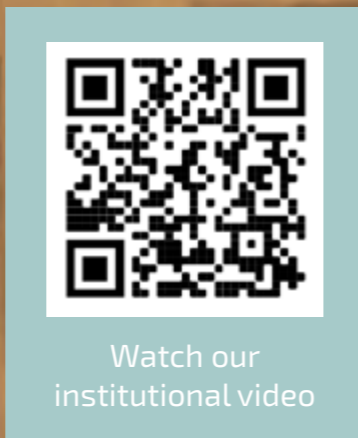
During this journey, we modernized our space, increased our structure, launched new branches, evolved our brand, and further developed our skills in advisory, consultancy, and law. We set out to practice law in a more technological way and invested to meet the new reality, exercising law in a modern and practical way, always valuing the relationship with our customers, and valuing human capital – thus maintaining our essence “inside the law, but outside the norm.”



“The agility, proximity and simplicity in the relationship with our clients is a great asset and generates countless positive results. Even applying technology, our clients’ profile – and the law market – trust is still an important component, along with competence and knowledge in law.,” says **Flavio Souza**.

Today, we are the largest group in the state and one of the most admired and largest in Brazil, with over 170 employees and 8 units across the country. We have become a consolidated and recognized brand, with extensive knowledge in the business and industrial, cooperativism and agribusiness fields.

Our history and what we have built drive us to continue fighting for the exercise of law in a dignified and fair manner, and for effectiveness and excellence in results. We remain dedicated to serving and, as lawyers, fulfilling our role in society.



Fachada 2000 – Rua Marechal Deodoro

Our numbers in 2020

+80 Lawyers

8 units in Brazil

+170 employees

+57% increase in revenue

35 published articles

64% of our employees are women

110.000 hour workload

Acknowledgements

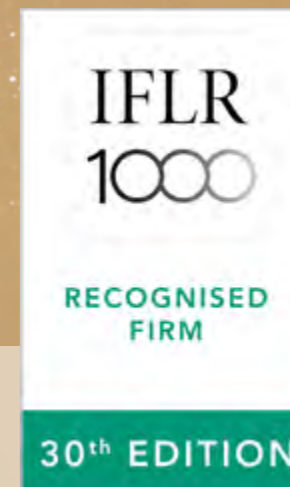
Since 2010, we have distinguished ourselves among the largest and most admired law firms in Brazil. In 2020, the **Análise Advocacia** magazine recognized us as an outstanding firm in the practice of M&A, by the IFLR1000



- Agrarian Specialty**
Comprehensive
- Corporate Specialty**
Comprehensive
- Labor Specialty**
Comprehensive
- Economic Sector**
Food, Drinks and Tobacco
- Economic Sector**
Transportation and Logistics



- Carlos Araújo**
Agrarian Specialty
- Clóvis Suplicy**
Transportation and Logistics



A recognized office



We are a great company to work for.

People, our greatest asset



We know the firm has reached its current level due to the excellent people that work here. One of our office's constant concerns is retaining talent and driving our employees' growth. Since 2019, Araúz Advogados has adopted measures focused on reducing workforce turnover.

Such measures consisted of opening a channel with HR so that doubts, concerns, complaints, and suggestions were listened to with greater attention and forwarded to the leaders for them to act, changing the mindset that our office was more than a workplace, it was also a place of choice.

Furthermore, we implemented and improved the life insurance offered by the office, replaced the food benefit, meal benefit and fuel benefit providers, increasing the range of partner distributors. Our Dot Web was structured, allowing employees to register their home office timecard or record/correct entries, among other numerous improvements.

In 2020, Araúz Advogados continued its internal structuring project by expanding the Human Resources department, because of its concern for maintaining an environment conducive to everyone, and considering the exponential employee increase (which generates new challenges and greater responsibilities).

The Human Resource department's prerogative is to build a relationship between the firm and its employees (lawyers, interns, employees), seeking to provide a corporate environment that is conducive to creation and productivity through methods that value and motivate employees.

Later in 2020, to measure and improve the work environment, the firm sought certification promoted by the Great Place to Work institution, which is the Global authority that certifies the best companies in the world regarding internal work environments, based on an internal assessment with employees. The methodology consisted of conducting an internal survey with all employees (guaranteeing the confidentiality of each survey participant), regarding several issues about the work environment.

And with great satisfaction, the firm obtained the GPTW Certification through this survey, which grants the firm.

Annual Report 2020 | Araúz recognition, before third parties - mainly clients and

partners - as a company that is one of the Best Places to Work!

Nevertheless, the Certification process allowed the office to raise the main employee demands and expectations, which allows us to focus on new projects for the continuous improvement of the work environment. **Thiago Collodel**, coordinating partner of the Labor Law department



"The GPTW survey shows us the company's main strengths, helps us correct flaws in People Management and helps create a healthy and productive environment. We must increasingly strengthen communication and show everyone the way forward for Araúz to become a reference in excellence within the legal area," says **Isaías Pereira da Silva**, Human Resource manager.



SINCE 2019, WE ARE SIGNATORIES OF THE UNITED NATIONS GLOBAL COMPACT

Organizations that are part of the Global Compact commit to publicly adopt collaborative actions and conduct based on 10 (ten) principles, which are universally accepted and originate from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention against Corruption.

Why did we choose to join this global initiative?

- We believe in strengthening our image and credibility with our customers, employees, and partners.
- Greater acceptance of diversity, contributing to our services.
- Greater professional and employee satisfaction and engagement.
- Acknowledge the value of well-being at work.
- Increased motivation and commitment of all employees.
- Encourage the implementation of socially responsible behavior.
- Practice transparency in the management and presentation of information.
- Improve ethical competitiveness in the activities provided.



TO RESPECT

and support the protection of internationally recognized human rights.



TO GUARANTEE

the company does not violate human rights.



TO SUPPORT

freedom of association and effective recognition of the right to collective bargaining.



TO ELIMINATE

all forms of forced or compulsory labor.



TO ERADICATE

all forms of child labor in the production chain.

TO ENCOURAGE

practices that eliminate any type of discrimination in employment.



TO ASSUME

practices that adopt a preventive approach to environmental challenges.



TO DEVELOP

initiatives and practices to promote greater environmental responsibility.



TO ENCOURAGE

the development and dissemination of environmentally responsible technologies.



TO COMBAT

corruption in all its forms, including extortion and bribery.



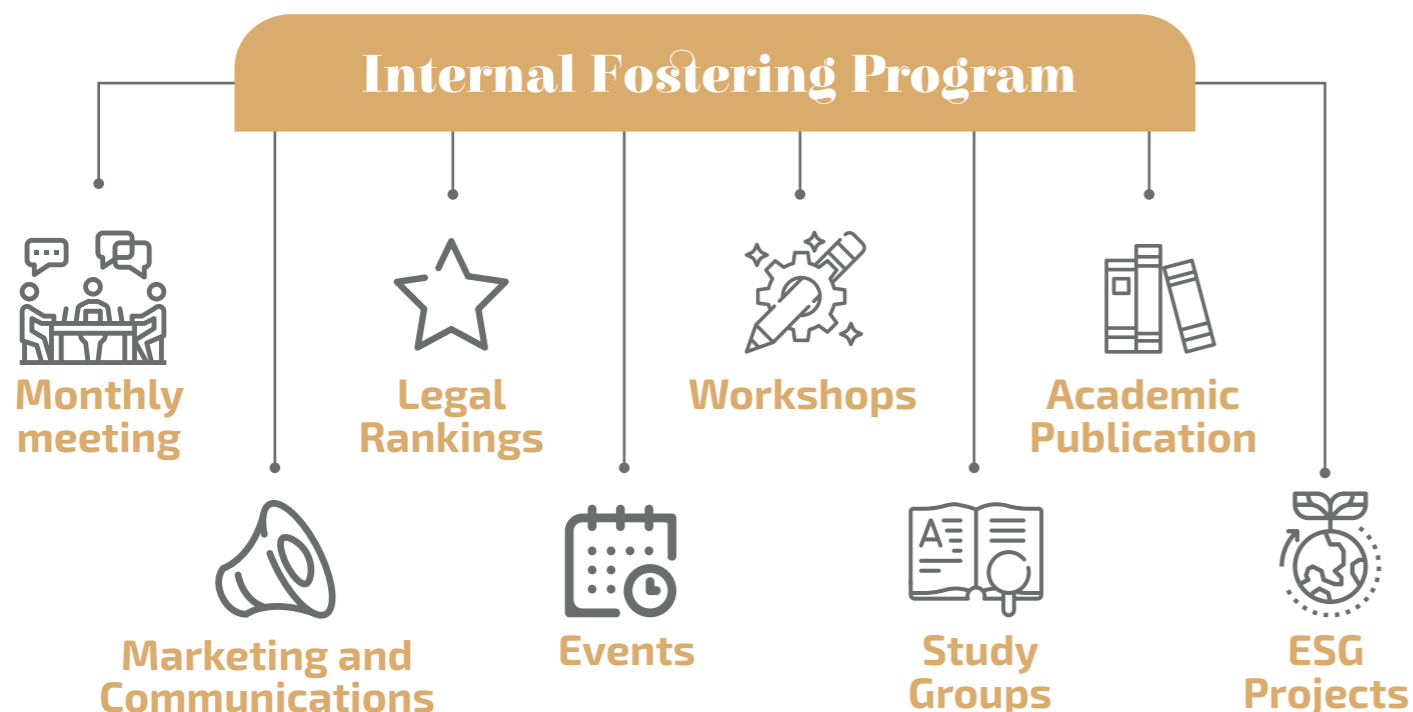
This is a voluntary participation initiative, which encourages the engagement of the private sector in the implementation of business practices with internationally agreed values and purposes in the areas of human rights, labor relations,

environmental protection and combating corruption to build a freer, more equitable and fairer world.

There are currently more than 16 thousand members, distributed in 69 local networks, covering 160 countries. Small, medium, and large companies, academia and civil society organizations related to the private sector take part in the initiative. The Global Compact is headquartered in New York, USA.

Araúz DNA

Conceived in 2019 by partner Rafaela Aiex Parra, our corporate responsibility project seeks to integrate human capital into the values and principles of Araúz Advogados.



“Understanding the firm as a business organization, endowed with a social function and, from that, absorbing the need to follow the principles of corporate responsibility, is the recipe for success in modern law” - says **Rafaela Parra**.

Within this scope, the highlights in 2020 are:

Monthly Meetings: held every last Thursday of each month in a virtual format, with the presence of all legal and administrative personnel, aiming at interacting, aligning objectives, department communications and socialization of the entire office at a time of social distance.

Workshops: with topics related to physical and mental health, productivity, modern lawyer skills, assertive communication, diversity in the workplace, financial market, risk management and routine planning. The meetings were virtual and participatory (live), with interaction for questions and comments in real time with the invited professionals.

Webinars: organized by the office, with the participation of outside guests from important entities such as Embrapa, FGV, USP, Climate Bonds Initiative, Ministry of Agriculture, Livestock and Supply, Ministry of Mines and Energy, trading companies and securitizers. Important topics for the country's economy were discussed, such as the Green Market, ESG Criteria and Agricultural Commodities, the practical aspects of Renovabio, the practical and controversial topics of the Agro Law, in addition to discussions involving legal regulation arising from Covid-19 and its effects on agribusiness, labor, tax and environmental matters.

Articles: written by our part-

ners, lawyers, and interns. More than 45 articles were published on our blog, in addition to the Valor Econômico, Estadão, Folha Agrícola newspapers, Sindiavipar magazine, and the Migalhas and Conexão Agro portals. Topics such as LGPD, Arbitration and Rural Product Bonds, Customs Regime, Taxation, Hedge Contracts, ESG Criteria, Judicial Recovery Law, Land Acquisition by foreigners, PIX functionalities, Contracts in Civil Law, among others, were addressed.

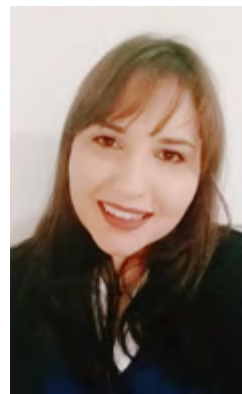
Study Group: contemporary legal issues were presented and discussed at weekly meetings every Wednesday, with the participation of lawyers and interns. The group dynamic is participatory, with the active voice and arguments of all members, and debate among all those present. The group takes place in a virtual format, which allows all branches to participate. The main themes in 2020 were: Opportunities for lawyers in agribusiness, Carbon Market, controversial aspects of Funrural, particularities of Rural Lease Contracts, case analysis involving practical issues of civil liability in the grain trade, international arbitration, in addition to the main aspects of Renovabio and issuance of C -Bios, topics related to Covid-19 such as eviction suits and surety insurance, and the legal regulation of the Home Office.

“Internal communications with our employees are a priority. Giving our lawyers visibility in our external campaigns, media, and social networks, is too.

We want to be increasingly recognized and respected in the national legal scenario.” - says the Project Coordinator, **Rafaela Parra**



Vision of our employees:



"With the study group meetings, my greatest expectation is learning. **Learn different things related to the focus theme of the office.** Today, a good legal professional needs to know a little about a variety of fields and understand what their clients' main activity is. The study

group also brings people from different office departments together, and this exchange is important not only on an intellectual level, but on a personal level." – **Aline Antunes.**



"I see it as a way to establish a connection and integrate all the office's employees. Also, **the importance of all people being on the same page in terms of common goals, despite having different roles.** After all, when person does their part, they make it possible for the

team to achieve good results with quality and efficiency." – **Andrea Freitas.**



"Every law firm needs to have a well-defined legal culture that is well communicated to its members. The Program is an effective tool to fulfill and consolidate this requirement, **bringing people together and transmitting institutional values.**"

– **Felipe Bonfim.**

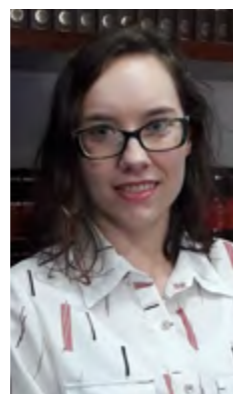


"The firm performs peculiar jobs in agribusiness and cooperativism. Some performances are often unknown to everyone in the office (much is due to the size and existence of several departments). By establishing Monthly Meetings, it will be possible to keep everyone aware of the

activities that Araúz Advogados performs. **As a professional who is beginning their career, I see this as a source of inspiration to develop similar work!**" – **Guilherme Basso.**



"**I believe that the Araúz DNA program has been extremely positive.** What I can say in the short period of 3 years that I have been part of the firm's team, is that meetings with all members were rare. I dare say that I had never participated in an event like the one that took place earlier this year." – **Hana Luysa Dianin**



"I believe that the initiative of the Araúz DNA program is very interesting and a way to improve the tasks carried out at the office, presenting matters that are considered as something that should be known by everyone in the office in a more dynamic way. **The Araúz DNA brings personnel closer,** since

in participatory programs we all join in as a team, helping each other, making way for a lighter and more communicative environment amongst us." – **Laryssa Leal.**



"I hope that the group adds multidisciplinary knowledge, that it brings themes that are current/necessary in the legal world up for discussion, that it is an opinion maker, of course, and that this can be applied in practice (that's the most important thing). Plus, I think it ends up being a

great opportunity to awaken new interests - I, for example, had never researched my topic and ended up enjoying it. Breaking away from your comfort zone is wonderful."

– **Loris Maestri.**



"**It is certainly a way of bringing all office departments closer together.** It is a form of integrating the work we handle and office activities. I like having this vision of the office as a 'whole'".

– **Manoela Barnack.**



"I believe that the DNA Program is an opportunity to come in contact with several subjects that are professionally and personally important, considering the relevance and current affairs of the issues addressed. **The diversity of activities and topics discussed add a lot** and allow

for proximity between office members, mainly due to the format adopted and the opportunity to listen and share experiences, facilitating connections and interaction."

– **Mariana Rodrigues.**



"**An office with academic visibility demonstrates a concern with being up to date** and I believe that the office advances compared to others who have no academic connection. It encourages employees, and many like it, but do not look for opportunities to

write and expose their knowledge, and it's an excellent opportunity for those who do enjoy it."

– **Rafaela Castanho.**



"The Araúz DNA program made it possible for employees to become closer through workshops and monthly meetings. I believe this is a great way to promote integration, **making us feel we are increasingly part of the office,** in addition to the vast learning experience regarding the

subjects covered in the lectures."

– **Renata Vasconcellos.**



"It is extremely important to seek continuous development, and to be encouraged "in house" by the firm's events **is a great opportunity and a privilege.**"

– **Suellen Fugie.**



COVID-19

AND THE NEW NORMAL

The biggest health crisis in the world caused by the new Coronavirus made us undergo structural, ethical, and social changes in a matter of weeks. The world has undergone an accelerated adaptation involving remote connection, new forms of contact, change of thought and culture.

And, in the face of chaos, technology became the instrument used for humanity to move forward and adapt so quickly to this reality. Of course, this transformation impacted several areas and was a milestone for the corporate world.

The pandemic intensified a process that was already making way in the legal environment - artificial intelligence and information available online were facilitators for the implementation of a Home Office model and the consolidation of digital solutions, with the expansion of this practice being expected worldwide post pandemic.

Experts say that we are moving towards Lawyer 4.0, brought about by technological acceleration, and aimed at transforming the legal market into a more agile and efficient process.

Public authorities saw this modernization as an opportunity, and the innovation that would benefit the exercise of law at a distance, with online hearings and sessions, cloud file storage, which provides data security, cost reduction and dynamic proceedings.

It is believed that this adaptation will continue to expand, but for this change to happen once and for all, the legal environment is faced with the challenge of improving and automating its physical structure with better working conditions and mentality and habits - understanding that the electronic processes and remote work can be an opportunity, not an impediment, for the industry to adapt once and for all to the new normal.

“At Araúz Advogados, we designed strategies so that we could adjust to the new reality. For the telework transition process, for example, we established guidelines and restructured ourselves to meet our demand and our employees. It was a moment of connection and greater proximity to our clients through a connected network. Even in the face of challenges, the office had positive revenues in 2020 and for the following year, with new improvements and strategies, using technology to our advantage and overcoming the challenges”.

Social Networks

The hyper-connected world and technological advances made companies see the importance of their digital presence, and reassess their behavior with consumers. In the digital environment, those who are not seen are not remembered. Today, an online company has more opportunity for growth, relevance and to add value to its business. Not to mention that this visibility has made people's daily lives easier, due to its objectivity and practicality. Media have become a means for users to seek services. Today, "they are the second largest source of brand research among Internet users worldwide" according to GlobalWebIndex.

Social media is considered a more accessible channel for the public, which is beneficial for business. Being online means being closer to your customer and potential customers, as it allows you to talk to your user, promote positioning, create actions that support the vision of your business and, thus, open the user's eyes.

It allows relevant content and a good experience to be delivered.

In the legal sphere, it is a way not only to give more visibility to the activities carried out by the firm, but also to educate the public.

In an era of Fake News and misinformation, adopting the online format linked to a clearer language is a way to bring more users closer to knowledge of the legal world.

In tune with the trends, Araúz Advogados is on social networks and will become increasingly present. We were able to grasp the importance of digital in this year of 2020, the need for permanence and the potential for growth in digital media. And we will become more active through Instagram, Facebook, and LinkedIn.

We value proximity and empathy with clients and society, and being present on digital platforms is another important step, as it reinforces our role as lawyers and people.

We established the Araúz brand by building a bond with our audience, disseminating knowledge, and adding more and more.

"Global digital growth shows no signs of slowing down, with a million new people around the world accessing the Internet every day. This growth is clearly stimulating the use of social media. 45% of the world's population are now social media users: an impressive 3.5 billion people"

WE ARE SOCIAL survey.



OUR

Women

The predominance of women in the labor market is a reality, although still a shy one. The movement indicates an increasingly strong search for appreciation, recognition, and equality of pay and positions. In this sense, the corporate environment needs to effectively participate in the debate, in awareness-raising actions, improvements in working conditions, to understand that the discussion is not about superiority, but about equity.

“Only 29% of women are in leadership positions, according to statistics from the 15th edition of the International Business Report (IBR) – Women in Business 2020, carried out by Grant Thornton.”

In our office, we are proud to have a female presence that drives and guarantees the performance of women in the sector. At Araúz Advogados, women represent 64% of the workforce – a growth of 10% compared to 2019. It is an expressive number and, in the legal field, an advance. Rafaela Parra, Danielle Martins, Andrea Grolla and Fabíola Nascimento occupy leadership positions within the firm. Therefore, here is a little about the journey and the vision of each one, which has been fundamental for the performance of Araúz Advogados.

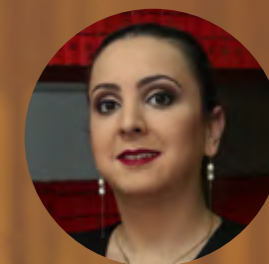


Danielle Martins

Specialist in Environmental Law by Pontifícia Universidade Católica do Paraná. Specialist in Administrative Law by Instituto de Direito Romeu Felipe Bacellar. Specialist in Procedural Law by Universidade do Vale do Itajaí - UNIVALI.

“The growth of female participation in the labor market has been incredible, and today we see women working in the most diverse sectors of the economy. We also see many women reinventing themselves to be able to reconcile family with professional practice. But there is certainly still room for women to exercise leadership roles, on equal terms with men.”

Fabiola Clementi



Lawyer, specialist in Civil Procedure and Management Development. She began her activities at the office in 2013, where she then took over the controllership sector (legal management), with a team of 5 employees. Currently, with the implementation of a new legal control system, she started coordinating the area handling a team of 14 people.

“There is still sexism, yes. But there is also an inquisitorial rancidity in the country. History does not change overnight. Instead, it goes through long maturing processes. The ideal future, towards which I believe we are heading, is one in which professionals are seen for their skills, not for their gender.”

Rafaela Parra

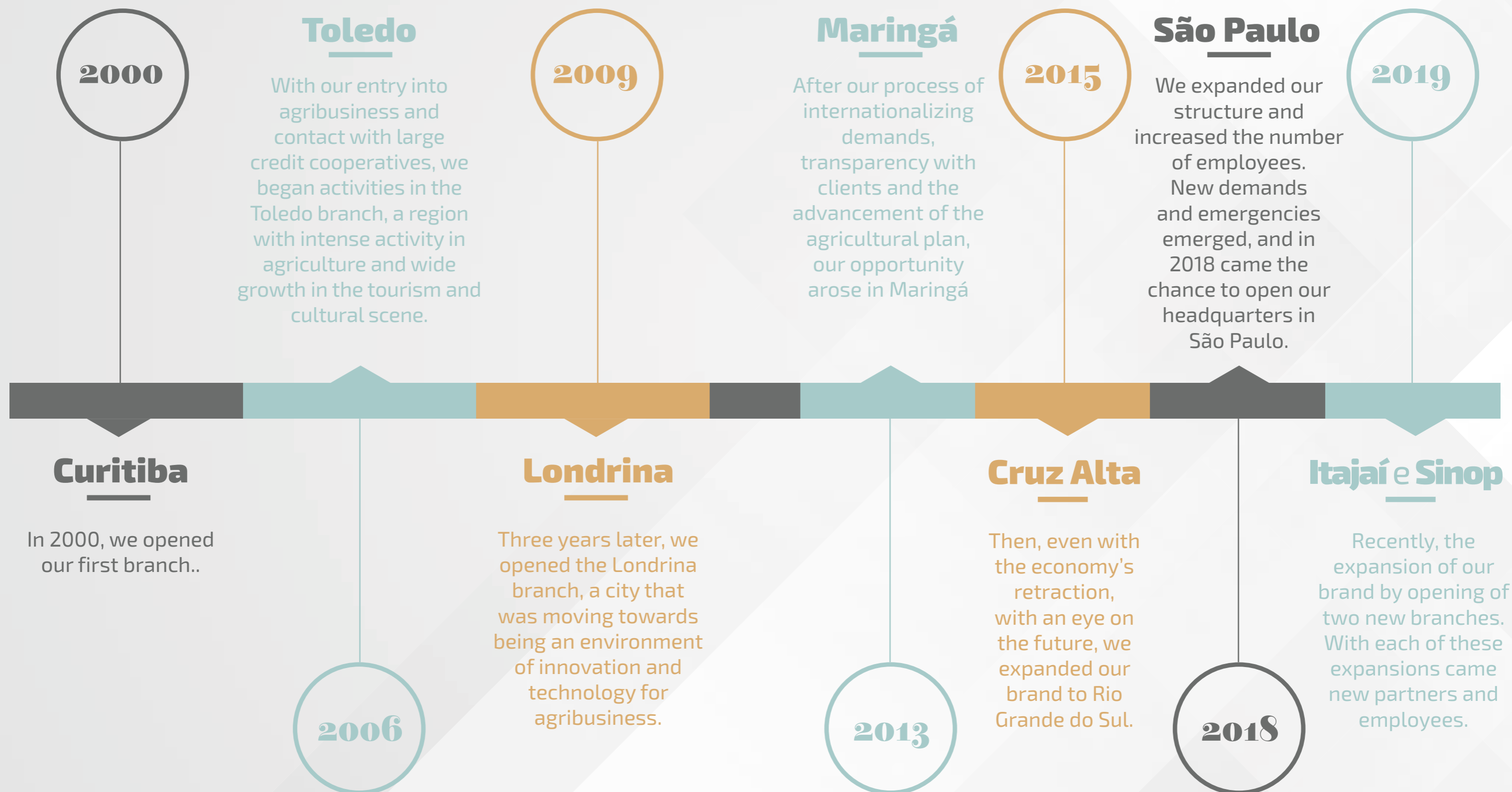


Bachelor of Law by Universidade Norte do Paraná. Master in Business Law by Universidade Estadual de Londrina, UEL. MBA in Agribusiness by Universidade de São Paulo, Escola Superior de Agricultura Luiz de Queiroz, USP/ESALQ. MBA in Strategic Business Management by Instituto Superior de Administração e Economia, Fundação Getúlio Vargas (ISAE FGV). Postgraduate in Applied Law by Escola da Magistratura do Paraná, EMAP. She is currently coordinator of the graduate course in Agribusiness Law at IDCC and professor of graduate courses in Law and Agribusiness at IBDA and FMP.

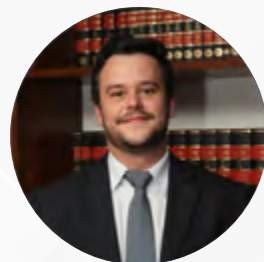
“I am very proud of the leadership role I play at the firm and very proud that Araúz Advogados believes in men and women based on their skills and abilities. In a fair and knowledge-prone environment, ideas take shape, and our goals are achieved.”

OUR **Branches**

Our branches are so important to Araúz's success, that talking about 20 years of history without mentioning them makes no sense.



We spoke with the heads of our units who are so important to Araúz Advogados' success, so they could share their journeys.



Carlos Eduardo G. de Almeida
Sinop, MT

"My path at the office began in 2015, when another colleague recommended, I join the Curitiba unit. As a result, in 2019, I started the project of opening a branch in the city of Sinop. In my opinion, the Sinop branch proves its importance, given the strength of agribusiness in the region. In the same sense, the procedural effectiveness carried out in loco in the processes we sponsor is also essential.

Furthermore, the routine of the work carried out at the branch is very dynamic, as I have held numerous meetings, visited Judge's chambers, and in addition, we are much closer to C.Vale's units. Anyway, there is a new challenge every week. I am particularly happy with the work developed here and optimistic about 2021."

"It was 2015 when, by complete coincidence, I met one of the partners at the firm, now a great friend, Mr. Clovis Suplicy. I offered my services by interrupting him in the middle of a task that he was performing at a certain client in Rio Grande do Sul. Two weeks later, I received the phone call that would change the course of my personal history. On that call I was offered the job proposal for the role of junior lawyer by Mr. Clóvis.

I decided to accept the challenge. The year after I joined, we opened a branch in Rio Grande do Sul. Since then, with effort and patience, I gained my space in the Office. We grew together. We were 30 lawyers and today we are over 90. Currently, just over 5 years later, I have the honor of joining the board of partners and carrying out the important mission of coordinating the Agribusiness Credit Bonds sector, in addition to the no less important task of leading our team in Rio Grande do Sul."

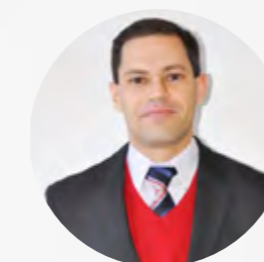


Janaina Lopes
Maringá, PR

"During college, I interned at the Federal Court but, despite admiring the work done there, I felt that only as a lawyer would I be challenged personally and professionally. In November 2015, the opportunity arose to work at Araúz, at the branch that would open in Maringá. I was interviewed by partners Flávio and Thiago and, right away, I realized that the office's mission was aligned with mine. The goal has always been to develop the office in the Maringá region, in addition to offering clients the structure, proximity and agility necessary to solve problems and execute strategies. In these 6 years, I've noticed that the initial goals were achieved and with them new goals emerged, reflecting the Araúz way, which incessantly searches for growth, without losing sight of the importance of personal relationships."



Bernardo Vianna
Cruz Alta, RS



Carlos Chemin
Toledo, PR

"I was elected President of the Special Committee on Agribusiness and Agrarian Relations of OAB/SP, for the three-year period of 2016-2018. Thus, I began participating in the national meetings of the Presidents of the Agribusiness Commissions from all over Brazil. Our first meeting was articulated by Mr. Ricardo Alfonsin, who was, at the time, President of the Agribusiness Commission of Rio Grande do Sul. That's when I had the huge pleasure of meeting Mr. Carlos Arauz. Empathy was instant and we started a friendship that surpassed our comradery as lawyers. These meetings with the Presidents happened again in the two following years, during Expointer, the Agricultural Exhibit of Rio Grande do Sul, in Porto Alegre. My trajectory in law has a milestone when I worked for sixteen years as an intern and partner at the law firm of Professor Arnaldo Wald. In early 2020, I had a meeting with Mr. Carlos Arauz at the Itajaí branch, in an attempt to outline a work and promotion strategy for the office in the State of São Paulo. From my point of view, São Paulo, and the State as a whole, has a large market in the Agro sector, still little explored and lacking professionals specialized in the sector. In this way, I understand that by defining an intelligent strategy, the probability of the Arauz Advogados branch establishing solid and productive roots in the State of São Paulo are real and palpable."

"Having graduated, I started to practice law in the corporate labor area, a subject that I specialized in and began to have contact with the most diverse business fields, but focusing on work with agricultural cooperatives and meat packing plants. Due to this strong performance in agribusiness and to the day-to-day routine in hearings, even before joining the Araúz Advogados team, I had the opportunity to meet Carlos Henrique, who until then was the lawyer responsible for the Toledo branch, and Diogo Hoffmann, who remains with us. After some time, I received an invitation from Thiago Collodel to replace Carlos Henrique in the region's labor department, which kickstarted my path at the office on August 1st, 2013."

"After I graduated, I moved to Curitiba in search of better opportunities, as law has always been my goal. I worked in two other offices before joining Araúz Advogados. In March 2009 I was hired with the mission of returning to the countryside and developing the newly opened branch in Londrina, our firm's second. We began with a credit recovery portfolio, from a cooperative that was undergoing an intervention. The challenge was huge: gaining everyone's trust and developing the branch, bringing in new customers. It was just me and a secretary. In the beginning, in addition to being a lawyer, I worked as an intern (at that time proceedings were still kept on file and processed in paper), an office boy, a locator, in short, a little bit of everything. Today, looking back, after almost 12 years of experience, I am very proud to be able to say that we are a great team in our branch. There are 16 excellent professionals, who carry out their activities with love and dedication, giving their valuable contribution to the growth and success of our office. I just have to thank the office, especially Carlos Araúz and Edgar, for the confidence and opportunity given to me over a decade ago, to be part of this great team!"



Guilherme Cintra
São Paulo, SP



Rafael Alencar
Londrina, PR

Our First

Off-Site

Our First Kick-off Site

In March 2020, still not knowing what lay ahead and how challenging the year would be, we had the opportunity to hold our first Kick-Off Meeting.

An integrative meeting between all partners, lawyers, and employees to present the projects implemented in the previous year, future actions for the year, share our results, align expectations, and strengthen our culture.

In this off-site event, we presented:

- The Annual Report 2019.
- Expansion and creation of new departments: Environmental, tax advisory, international tax and arbitration matters.
- Creation of the marketing and communication department.
- The 10-year anniversary of the Controlling department;
- Creation of our internal development program, The DNA.
- Recognition and awards.
- Among other actions and projects



André Carvalho

The alignment of the firm's ideas and purposes is, without a doubt, something to be prioritized when conducting the relationships of the people

who are part of it.

Events and actions that contribute to the exchange and exposure of this information certainly reflect positively on the firm's results.

Clear and well-publicized information, rules and criteria are essential to cultivating a healthy and harmonious environment. I found it valid in relation to exposing general and common themes, as well as for the interaction of the legal departments in relation to the technical issues dealt with.



Paulo Sant'Anna

Without a doubt, there are countless other ways to integrate people and make them feel integrated, aiming at productivity. I think it's interesting to explain

what the activities developed by a certain department specifically are (such as, for example, that in RJ we act both for creditors and for debtors, our line of thought and performance, conciliatory posture of interests, concrete cases in which we operate, what we did, etc.).

Events and webinars

We go beyond what we can do inside our office. Our partners and lawyers share their expertise with lectures at important events, disseminating relevant information based on technical knowledge acquired within and outside the Law.

The Impacts of Tax Reform on Agribusiness

Date: 06/02

Lecture: Taxation and Agribusiness

Speakers: Gabriel Placha and
Rodrigo Borba

Guests: Roberto Rodrigues, Luiz Carlos
Haully, Bernard Appy and José Parodes

XII CBAr Curitiba Pre-Moot

Date: 13 and 14/03

Panel between UERJ and USP (as
co-arbitrator) and panel between
PUCRS and FGV-Rio (as Chair
Arbitrator) Speaker: William Basso

COVID-19 & Agribusiness: Economy, environment, and green market

Date: 14/04

Speaker: Rafaela Parra

The impacts of Law No. 13,986 on agribusiness

Date: 20/04

Speaker: Rafaela Parra

COVID-19 & Agribusiness: Risk management, tax, and labor aspects

Date: 23/04

Palestrante: Gabriel Placha e
Thiago Collodel

Ecological Identity and the future of the Environment 5.0 in Brazil

Date: 04/06

Mediator: Rafaela Parra

Sustainability and livestock raising - Theory and practice

Date: 25/06

Speaker: Rafaela Parra

Agrobusiness Law - Controversial and practical topics

Date: 26/06

Speakers: Gabriel Placha e
Bernardo Vianna

Mediator: Rafaela Parra

Sustainability, 2030 agenda and Agribusiness: Myths and Truths

Date: 01/07

Speaker: Rafaela Parra

II AGROTALKS - Being a Lawyer and Agribusiness: Rural Credit Public and Private Financing in Agribusiness and the role of the lawyer in Agribusiness: acting in the public and private sectors

Place: Londrina/PR Date: 02/07

Speaker: Carlos Araújo, Rafaela
Parra and Rafael Comar Alencar

WOMEN DISCUSS AGRO:

The New Agro Law and dispute resolution

Date: 07/07

Speaker: Rafaela Parra

LAW & AGRO: Recent decisions in Environmental Law

Date: 08/07

Speaker: Rafaela Parra

LAW & AGRO: Agriculture: Facts and Myths

Date: 23/07

Speaker: Rafaela Parra

Environmental Rural Registry: current situation

Date: 13/08

Speaker: Rafaela Parra

WEBINAR IBERC #12

Comparative Law and Covid-19

Exhibitor: Paulo

II Paraná Congress on Agribusiness Law: Rural Credit and the new Agro Law

Place: Londrina/PR Date: 09/09
Chairman: Rafael Comar Alencar

II Paraná Congress on Agribusiness Law:

I Scientific Meeting of Agribusiness Law and Economic Analysis of Cisg as an Applicable Law in the Resolution of International Disputes on Agricultural Commodities

Place: Londrina/PR Date: 10/09
Speakers: Heloisa Führ Bonamigo and Mariana Santos Rodrigues and Guilherme Basso

II Paraná Congress on Agribusiness Law:

Current Tax Issues in Agribusiness and Main Innovations in the Agribusiness Law

Place: Londrina/PR Date: 11/09
Speaker: Gabriel Placha and Rafael Comar Alencar

VIRTUAL ROUND TABLE IMPACTS OF THE COVID-19 PANDEMIC ON CONTRACT LAW.

Mediation and arbitration in times of crisis

Speaker: Paulo Nalin

Agriculture - A State Policy

Date: 24/10
Speaker: Rafaela Parra

XIX Brazilian Congress of Constitutional Law and Citizenship

Date: 30/10
Chairman: Rafaela Parra

Agriculture - A State Policy

Date: 24/10
Speaker: Rafaela Parra

XIX Brazilian Congress of Constitutional Law and Citizenship

Date: 30/10
Chairman: Rafaela Parra

WEBINAR PPGCOOP - PUC/PR: The impact of the LGPD (General Data Protection Law) on cooperatives = awareness for adaptation

Date: 21/11
Debator: Paulo Stöberl

The ESG Trend and the Agricultural Commodities Market

Date: 23/11
Speaker: Rafaela Parra

REVIEW, RESILIATION AND DISSOLUTION OF CIVIL AND CONSUMPTION CONTRACTS: potential impacts of the covid-19 pandemic.

Speaker: Paulo Nalin

Published Books



The New Frontiers of Contract Law Private Contracts and Human Rights

Coordinators:
Paulo Nalin and
Lygia Maria Copi

Featured book of 2020:

Agribusiness, Sustainability and the 2030 Agenda



Download the e-book

Author:
Rafaela Parra

NALIN, PAULO; BARSAGLIA PIMENTEL, MARIANA; OTTOBONI PAVAN, VICTOR. Interpretation, integration, and rebalancing of contracts in times of pandemic: analysis of the changes promoted by Law No. 13.874/2019 considering constitutional legality. REVISTA BRASILEIRA DE DIREITO CIVIL, v. 25, p. 329-352, 2020.

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NALIN, P. R. R.; NOGAROLI, Rafaella. Robot-assisted surgeries and diagnostic analysis with artificial intelligence: new challenges regarding contractual principles and equating medical civil liability. In: Marcos Ehrhardt Júnior; Marcos Catalan; Pablo Malheiros. (Org.). Civil law and technology. 1ed. Belo Horizonte: Forum, 2020, v. 1, p. 649-672.

NALIN, PAULO; BARSAGLIA PIMENTEL, MARIANA. The contract between human rights and economic freedoms. In: Paulo Nalin; Lygia Maria Copi. (Org.). The new frontiers of contract law: private contracts and human rights. 1ed. Belo Horizonte: Forum, 2021, v. 1, p. 13-30.

NALIN, P. R. R.; NOGAROLI, Rafaella. Perspectives on ethics and liability in the context of intelligent healthcare robots. In:Aline França Campos; Luciana Fernandes Berli. (Org.). Contemporary issues of civil liability. 1ed. Belo Horizonte: D'Plácido, 2020, v. 1, p. 61-94.

Internal

campaigns

In 2020, we held our first Workshops in our office. Thus, it was possible to debate themes that are developed within the reality not only of the company, but also of our employees.

Workshops

Date: 07/02
Economy and Financial Market
 Guest: Adeodato Volpi Neto

Date: 13/06
How does women's health affect the work environment?
 Guest: Ms. Rebeca Gerhardt

Date: 10/06
Communicate Workshop
 Guest: Marina Dôlivera

Date: 29/06
The importance of diversity in the work environment
 Guests: Rafaela Parra, Frederico Pinheiros, Laura Mattar

Date: 23/07
Success in Law: What Skills Does the Modern Lawyer Need to Develop?
 Guest: Valdemiro Kreusch Júnior

Date: 18/08
The importance of mental and emotional health in the midst of the pandemic
 Guest: Ms. Luana Harada

Date: 21/09
Planning a productive routine
 Guest: Cristiane Brandão

RESPONSABILIDADE SOCIAL

We believe that it is possible to build a more solidary and, above all, egalitarian society. For this reason, we partner with institutions committed to social inclusion, and we are always willing to disseminate culture, education, and well-being, strengthening projects that benefit local communities and fostering actions, inside and outside our office. .
 Some initiatives that took place in 2020:



ACTION PINK OCTOBER
 Our employees wore the color of the movement in support of the campaign.

CHILDREN'S DAY ACTION
 SER+1 Project – Collection of toys and candy for the project.



afece



Our Teachers

We are aware of the unquestionable importance of teachers in the educational field. And, therefore, it is more than needed, it is our duty to speak of our teachers. Araúz has a team that also dedicates its time to teaching:



Gabriel Placha – Bachelor of Law by Faculdade de Direito de Curitiba Post-Graduate Degree in Tax Law at the same institution. Master by PUCPR. He teaches in the Law course at FAE, at undergraduate and graduate levels. Since then, he has taught Civil Procedure, Administrative Law, Economic Law and Tax Practice, but it was in Tax Law that he continued his teaching. He is a visiting professor in graduate courses at PUCPR, UniCuritiba and ESMAFE/PR, in subjects related to Tax Law and Agribusiness. He recently joined the faculty of the graduate course in Agribusiness Law at IDCC, coordinated by Partner **Rafaela Parra**.

“I understand that teaching goes beyond being a profession. It is a vocation, given the importance, which is not restricted to academics, that the teacher plays in the training of students, also making a difference and arousing interest in Law. This requires a lot of discipline from the professor, so that it is possible to transmit not only quality technical knowledge, but also to stimulate critical sense and logical reasoning of those who will work in the legal field. That’s my motivation!”
– says Placha.



Rafaela Parra – Bachelor of Law by Universidade Norte do Paraná. Master in Business Law by Universidade Estadual de Londrina, UEL. MBA in Agribusiness by Universidade de São Paulo, Escola Superior de Agricultura Luiz de Queiroz, USP/ESALQ. MBA in Strategic Business Management by Instituto Superior de Administração e Economia, Fundação Getúlio Vargas (ISAE FGV).
Postgraduate in Applied Law by Escola da Magistratura do Paraná, EMAP. She is currently coordinator of the graduate course in Agribusiness Law at IDCC and professor of graduate courses in Law and Agribusiness at IBDA and FMP.

“You don’t find teaching, it finds you. The passion for writing and for words ended up connecting me to people. Sharing knowledge makes me smarter, happier and more fulfilled,”
– confesses Parra.



Paulo Stöberl – Bachelor of Law by UniCuritiba. Postgraduate degree in Tax Law from PUCPR. Master’s in social Economic Law by same institution. Doctor in Political Science by Universidade Federal do Paraná. He also had the opportunity to do a Doctoral Stay at the University of Heidelberg (Max Weber Institute of Sociology). He is currently a professor of the master’s degree in Cooperative Management (PPGCOOP) and of the Business Law degree at the PUC/PR School of Business. He has also been a visiting professor at ABDConst since 2013, and an instructor and speaker working at SESCOOP/PR, in the area of cooperativism and Cooperative Law.

“Study and research are fundamental to practice, as for the defense and development of the cooperative movement it is necessary to know the architecture of the cooperative society to apply it well. Many mistakes happen by not applying the Cooperative Law institutes, thus harming the cooperative and the cooperative members, therefore lawyers who have expertise in the matter are essential for the presentation of theses before the Judiciary to build case law compatible with characteristics of the cooperative” – highlights Paulo.



Bernardo Vianna – Master’s student in Agribusiness at the Federal Universidade Federal de Santa Maria, a UFSM. Specialized in National and International Environmental Law by Universidade Federal do Rio Grande do Sul (UFRGS). He is a professor in the graduate course in Agrarian and Agribusiness Law at the Fundação Escola Superior do Ministério Público (FEMPAR).

“My dedication to scientific production and teaching comes from social observations experienced in the daily practice of law.”
– highlights Vianna



Fernando Breda – Bachelor of Law by PUC/PR. He holds a master’s degree in Economic and Social Law from the same institution. He is currently a professor at FAE Law Experience. He was also part of the faculty at UniCuritiba from 2006 to 2012 and at Universidade Positivo from 2012 to 2020.

“Teaching is a vocation that, through much sacrifice and dedication, was an instrument for the realization of many dreams and satisfactions.” –highlights Breda.



Paulo Nalin – After graduating as a Bachelor of Law from Law School at Universidade Federal do Paraná, partner Paulo Nalin took a master’s degree in Private Law at the same institution. He started his doctorate in Social Relations Law, also at UFPR. Afterwards, he entered the post-doctorate program in International Contracts at Juristische Fakultät Basel (Faculty of Law, University of Basel, Switzerland).

“Being a teacher is in my DNA, it’s my social role!”
– highlights Nalin.

Projects and Improvements

Attentive to the demands arising from technological advances and changes in the General Data Protection Law, we seek to invest and modernize our infrastructure, following the evolution of our brand and always thinking about the agility and trust we provide our customers, which are fundamental for good a relationship.

In 2020, we carried out new information technology implementations and standards, part of our continuous improvement project.



Partners
Rodrigo Milla
 and **Flávio Souza**,
 responsible for the
 modernization plan,
 explain the project's
 execution and
 future demands.

“In 2020, the mobility capacity of the entire office (and its infrastructure) was put to the test, in a way never imagined. For over 10 years, the firm, in a pioneering way, chose to use virtual files, that is, there are no huge rooms with case files in Araúz”, says Rodrigo.

For Flávio, the year 2020, despite the challenge caused by the Covid-19 pandemic, was also marked by innovation and opportunities at the office.

“I don’t know if luck or divine intervention, but a few days before the pandemic forced social distance and implemented home office as a rule, we were sure that we had the best apparatus for the virtual and remote world, but the pandemic was definitely a great field test, that it was!” he believes.

As part of this plan, Araúz implemented a new Intranet, a more practical system. In addition, it allows the execution of actions through another platform, Microsoft TEAMS

– a hub for chat, conversations, video calls, with the ability to integrate links and other applications, and which allows information to be shared in a more agile way. And, for its use, users need nothing more than an internet connection – without the need for the local office network.

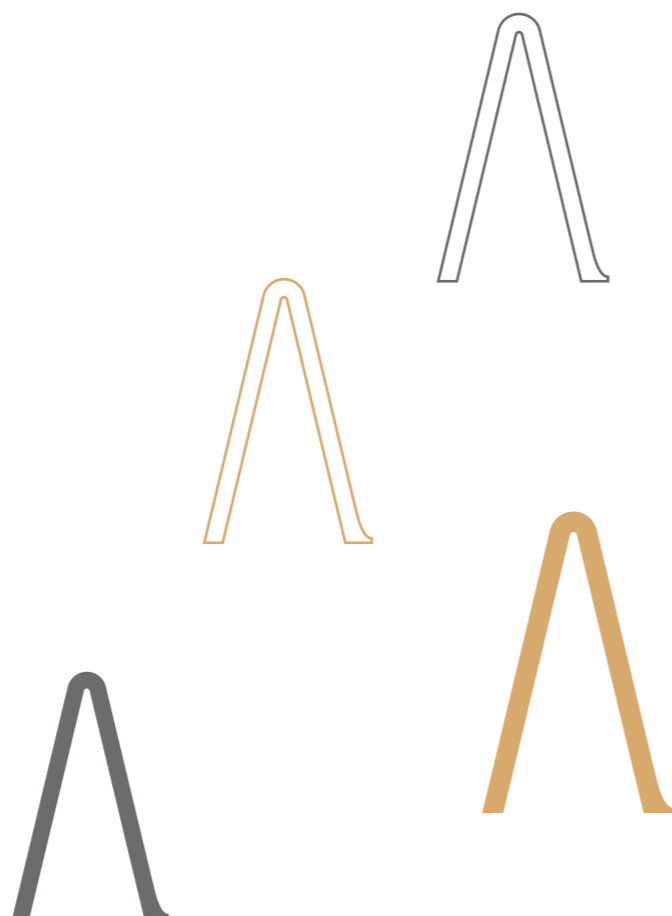
“Days before the start of the pandemic, by luck or divine intervention of the God of schedules, we were able to implement a robust management system for the office’s operation (Espaider). We did not have any mismatch that could generate operational risk. The numbers are impressive and reason for a lot of pride. All the employees, over 190 of them, were able to work from their homes and carry out their routine tasks with the greatest operational safety,” says Flávio.

Espaider was a safer operating alternative for data processing and storage implemented by the office. A set of actions as part of the ef-

forts to ensure the necessary protection and, considering the unusual moment we were in, this conversion, which was already underway, ended up facilitating and ensuring the successful operation of the office.

“As a result of the social distancing measures during the pandemic, we practically had to determine overnight, that the entire office would be moved to a home office regime, something that had not even been rehearsed before. And the result could not have been more positive. We were able to convert the entire work structure to being 100% home office in less than 24 hours,” highlights Milla.

The call center operation – active in credit recovery services – was also transferred to the teleworking modality, thanks to the format via VoIP (Voice over Internet Protocol) – a telephone system that allows the call transfer over the internet, meaning it only needs a connection to work.



“It was the year we started the automatic petition project. Many lawyers already use repositories that streamline the time spent writing documents by more than 58%, this means that automatic petitioning is a reality in our structure.

We apply artificial intelligence in the filings before several systems of Courts, reaching, simultaneously, more than 1,900 filings in one day.

We apply artificial intelligence to publication releases and resulting commitments.

In 2021, we will continue to onboard the very best in technology so that it can be an ally to the brilliant lawyers we have,” , says Flávio”.

For Rodrigo, the unusual operation served as a stimulus for telephony to be restructured within the office, and, with that, there is a 100% migration to the VoIP system in 2021.

“This will allow the employee to have their extension installed directly on their notebook, being able to answer calls directed to their extension from anywhere, through their notebook, as long as they are connected to the internet. This will give us much more mobility and will make the infrastructure for service and executing work practically independent from a specific physical address,” he highlights.

LGPD AND OUR SECURITY MEASURES

The General Data Protection Law came into force in 2020. With the amendment to the Law, which aims to protect consumers from having their data collected and used without consent, the main agenda became transparency, accountability, and responsibility on the part of companies. With the LGPD in place, the offices saw the need to adapt to ensure the safety of their customers and partners.

To comply with the requirements of the Law, Araúz sought a specialized company to develop an action plan and meet the requirements of the legislation.



“The office is undergoing adaptation to the LGPD, having mapped the personal data flow, reviewed its policies and contracts, trained employees, in addition to having implemented measures related to in-

formation security and data privacy.

Personal data treatment is a measure in constant evolution and does not end with its adequacy, as it involves the maintenance of improvements and awareness of employees, customers and service providers, as well as continuous monitoring.” Explains Danielle Martins.

To prevent virtual attacks to the Araúz Advogados’ database, the office has established some information security practices, equipment and devices used have data encryption (VeraCrypt), more complex password changes, cloud information, control to ensure recovery information, a disaster plan, protection against.

New department

Agribusiness Credit Securities

Preventive legal protection for credit is a fundamental factor for the success of agricultural financing operations. For this reason, the structuring of these transactions must be done with expertise to reduce risks and optimize the desired results.

We develop strategies to prevent default and optimize credit collection, as well as train the teams involved in these operations. Using partners in the technology area, we automate and promote the outsourcing (back office) of the agricultural credit operation, with prior analysis of the technical and legal feasibility of the operation, and subsequent drafting of contracts, constitution of guarantees and records of all necessary documents until the final release of the products or financial resources object of financing.

We make it possible to monitor agricultural securities established within the scope of financing contracts and guide clients in their redemption and settlement through judicial measures of provisional attachment, sequestration and search and seizure, when necessary.

Head of our new department, partner Bernardo Vianna is a specialist in National and International Environmental Law by Universidade Federal do Rio Grande do Sul – UFRGS. Member of the Agrarian Law and Agribusiness Commission of the Brazilian Bar Association, Rio Grande do Sul Section - OAB/RS. Member of the Association of Corporate Environmental Law Lawyers (Associação dos Advogados de Direito Ambiental Empresarial, in Portuguese) – AGAAE. Arbitrator of the Arbitration Chamber of the Brazilian Mercantile Exchange – BBM.

As fronts in the Agribusiness Credit Title department, we work in the Structuring of credit departments and modeling of agricultural financing operations, improvement of the guarantee policy, legal assistance in judicial measures for the redemption and liquidation of agricultural assets in guarantee, registration analysis and capacity to guarantee movable agricultural goods, modernization of titles and regulatory adjustments, among others.

Our Articles

Agribusiness Law and the Rural Product Cell



By Bernardo Vianna

Agribusiness is nothing less than the driving force behind the Brazilian economy, responsible for projecting the country among the great world powers.

The legal and business analysis is based on the premise of an existing connection between law and economic activity. The correlation between Law and other sciences, by the way, was founded on the concepts of the discipline of Law and Economics, widely disseminated in American and European universities, which established the interface between Law and Economics.

We are talking about the post-modern view of Law, where legal systems are polarized to govern specific segments of a complex, multifaceted society.

In agribusiness, legal practitioners have sought to understand economic structures and business processes and, from a multidisciplinary perspective, have been producing important solutions capable of contributing to the main scope of modern agricultural activity: sustainable socioeconomic development.

In this sense, private law, without a doubt, has been the main vehicle for promoting this new discipline, which already gained important recognition and acceptance by the legal and business community.

A practical example of this scientific evolution speaks exactly to the current configuration of the private agribusiness financing system, and for a better understanding of the emergence of this phenomenon, it is worth briefly reviewing the lines of history.

Let's recall that the oil crisis began in the 1980s, which together with high inflation, led to a reduction in government incentives to the primary sector. In the 1990s, the Collor period, the country faced a serious institutional crisis. At that time,

the misrepresentation of public incentive policies for national agriculture began, which since then has never been able to meet the sector's needs, especially in terms of minimum prices, rural insurance, and credit.

Given this, a weakened scenario appeared from the point of view of stimulating primary activity, which without incentives would not have developed the agro-industrial chain as a whole. The scarcity of public rural credit forced economic agents supplying rural activities in Brazil, notably suppliers of agricultural inputs and machinery, to seek mechanisms for the continuity of operations and business. The wheel needed to keep turning.

In this context, the Rural Product Certificate (CPR) was instituted in 1994 by Law No. 8.929, amended in 2001 by Law No. 10.200, which introduced the possibility of financial settling the CPR and, recently, amended by law 13,986 of 2020, which further modernized the institute.

The CPR, as well described by the eminent Minister Luis Felipe Salomão in the recent Special Appeal No. 1.327.643 - RS, decision issued on May 21, 2019, "[...] is a basic instrument of agribusiness financing, a fund-raising facilitator. [...]"

Actually, the Rural Product Certificate is more than that. The CPR is the standard that very well represents the essence of Agribusiness Law, as it was created and improved essentially by the private market, which, guided by specialized law, can raise the institute to the level of doctrinal and case law maturity that is currently the main instrument to promote Brazilian agricultural production.

In a final note, therefore, it would not be an exaggeration to say that, in part, we owe CPR our glorious status as the world's breadbasket.



Tax expectations for the year 2021 and the most recent decisions by the Internal Revenue Service that recognized long-awaited taxpayer rights

By **Danielle Dalledone** and **Rodrigo Borba**



In 2020, the taxpayer suffered important defeats in the tax area in Federal Supreme Court - STF judgments, such as Topic 490 (Tax War - the reversal of ICMS by the State of destination does not violate the principle of non-cumulativeness); Topic 846 (constitutional fine of 10% of the FGTS [Guarantee Fund for Length of Service] on unfair dismissals); ARE [extraordinary interlocutory appeal] nº 1.260.750 (incidence of social security contribution on overtime and night hours, work with health risks, dangerous work and transfer); Topic 906 (constitutional double incidence of IPI (tax on industrialized products) on the resale of imported goods); ADI's (direct action of unconstitutionality) 1,945/5,659 (incidence of ICMS [State goods and service taxes] on software operations); among others.

In 2021, the expectation is of even greater challenges for the taxpayer, considering that the judgment of the motion for clarification filed by the Federal Government is awaited in the process that decided to exclude ICMS from the PIS [Social Integration Program] and COFINS [Contribution to Social Security Financing] calculation basis, as well as the applicability of the differential in rates to companies opting for the Simples Nacional (tax regime, National Simple in English), ICMS on amounts of electricity bills, regulation of pesticide products and the vote on the Tax Reform, stagnant in the face of the advent of the COVID-19 Pandemic.

In the administrative area, the year 2021 started with good news for the taxpayer. On 01/18/2021, a decision by the 7th SRRF (Internal Revenue Regional Superintendence - RJ/ES) was published recognizing the right to PIS and COFINS credit on amounts paid to employees as transportation vouchers by industries and service providers in general. The decision applied the understanding signed by the Superior Court of Justice - STJ on the concept of "input" (Resp [Special Appeal] 1.221.170/PR), which must be measured by the criteria of essentiality and relevance, which includes the expenses incurred by companies required by law, in the case of transportation vouchers (Law nº 7.418/1985).

Remember that the right to such credits was only guaranteed in favor of companies providing

cleaning, conservation, and maintenance services (art. 3, inc. X, of Law No. 10.833/2003), which also violates the principle of equal protection of laws.

Therefore, the right to appropriate credits for transportation vouchers paid to employees by industries and service providers in general - provided they are, of course, opting for or obligated to Taxable Income - is now recognized by the treasury agency.

It just so happens that other PIS and COFINS credits, guaranteed by the same art. 3rd, item X, of Law No. 10.833/2003), as meal/food vouchers continue to be guaranteed only to companies providing cleaning, conservation and maintenance services, although the situation is very similar to that of transport vouchers when provided for in the Collective Work Conventions - CCT since, in this case, the company is obliged to pay under art. 611-A of the CLT (Consolidation of Labor Laws), which gave the CCT precedence over the Law itself.

Therefore, this matter should be seen frequently after the Federal Revenue's judgment.

In another decision not yet published, the Superior Chamber of Tax Appeals - CSRF, the last federal administrative instance, recognized the right of a Cooperative Society to not add the funding costs (financial expenses) of the financial investments in the calculation of the Taxable Income, only taxing the positive result (income minus expenses). According to the appellate decision, the tax authorities cannot tax financial income without allowing deductions. The deciding vote was granted by Councilor Fernando Brasil de Oliveira Pinto, representative of the Treasury, who voted in favor of the cooperative arguing, correctly, that if all financial income was taxed, the expenses should follow the same path: "If I taxed all financial income, I should deduct all financial expenses as well," he concluded.

Araúz Advogados' tax team is attentive to all important decisions capable of reducing the tax burden that weighs on Brazilian business and hinders the economic growth and development of our country.

The Declaration of Economic Freedom Rights of Law No. 13.874/2019, as an objective parameter of articles 20 and 21 of the Introduction to the Rules of Brazilian Law, in the scope of Regulatory Law

By **Fernando Luz**



In a context in which administrative reforms border on mere rhetoric, via sterile political discourses aimed at modernizing the national market, focusing on free enterprise, reducing bureaucracy of the public machine (government infrastructure), and promoting economic and social development, few initiatives were as forceful as the advent of Law No. 13.874/2019, which "establishes the Declaration of Rights of Economic Freedom; establishes free market guarantees," among other provisions.

In art. 1 of the aforementioned law, upon instituting the Declaration of Rights of Economic Freedom, paragraph 2 is substantive in guaranteeing a favorable interpretation of economic freedom, including in relation to the rules of public order on private activities. This shows the prevalence of economic interest in facing doubts or inaccuracies in legal and regulatory standards, regardless of the abusive and irrational exercise of State Power, as, in fact, articles 20 and 21 of the Law of Introduction to the Rules of Brazilian Law - LINDB already did. It is not, therefore, about allowing economic freedom to overlap with the current legal system, but to ensure that the State does not place its control and coercion instruments at the disservice of national development itself, making it difficult to issue permits, licenses, in addition to applying sanctions for poor reasons and without any practical benefit to society.

No wonder, the successive art. 4th outlines a series of guarantees to free enterprise, preventing abuse of regulatory power, prohibiting the State to, in an outstanding and illustrative way:

"(...) III - require technical specification that is not necessary to achieve the desired end; IV - write statements that prevent or delay innovation and the adoption of new technologies, processes or business models, except in situations considered by regulation as high risk; V - increase transaction costs without demonstration of benefits; VI - create artificial or compulsory demand for a product, service or professional activity, including the use of notary offices, registries or registration; (...)"

Although this list is not exhaustive, admitting other hypotheses that are in harmony with the spirit of the law, the objective description of limits to state activity is very important in the regulatory treatment of the countless activities carried out by private entities, under the scrutiny of the State. This is because, although the LINDB already has provisions for the interpretative handling of regulatory challenges (from the provisions introduced by Law No. 13.655/2018), especially Articles 20 and 21, it does so with a high degree of subjectivity and range, which is a pragmatic challenge to the resolution of imminent problems.

Undoubtedly, Law No. 13.874/2019 represents an important milestone for the desire of free enterprise, which gains new and more objective contours, asking the State for its mission to develop regulatory activity as a guarantor of national development, excluding the use of archaic and abusive control and coercion methods, completely dissonant from the urgency of better competitiveness in Brazil in the internal and external scenarios.



A TALK WITH

Roberto Rodrigues

We interviewed Roberto Rodrigues, former Minister of Agriculture, Livestock and Supply. A chat about the perspectives for 2021 and key questions about the sector.

- In your opinion, what is the importance of environmental legislation, especially in preservation and how does it help boost exports?

We have the strictest environmental legislation on the planet, based on the 2012 Forest Code. Mandatory topics such as the Legal Reserve and the Permanent Preservation Area cost Brazilian rural producers amounts that no competitor is encumbered with maintaining, at their own costs, 20% of the property's area untouched, if lands are in the South and Southeast of the country, and 80% if they are in the Amazon, which represents a very high cost that should add value to our production, known as sustainable. The numbers are impressive. According to Embrapa, 66.3% of the Brazilian territory is still covered with native vegetation. More importantly: 24.5% of all native vegetation in the country is on the properties of rural producers. They still have the obligation to make a CAR-Rural Environmental Registry that proves compliance with the legislation, and without which it is not possible to access rural credit. A new law was recently enacted that created the PSA - Payment for Environmental Services, which will finally give producers opportunities to receive awards for doing the right thing from an environ-

mental point of view, such as promoting reforestation or preserving springs and water streams. This is a big step forward because, until now, there was only punishment for making mistakes, and now we are equal to developed countries in recognizing good environmental practices. But unfortunately, illegalities committed in several regions of the country, such as illegal deforestation in the Amazon or in the cerrados, arson, land invasion or non-compliance with contracts end up staining all Brazilian excellence in productive sustainability and disturb our export environment.

- How should organizations be concerned with environmental management and compliance with legislation in your point of view?

All over the world, younger generations have chosen protecting the environment as a priority in their concerns. This is a good thing, because this theme will be in the spotlight for another 40/50 years as this wonderful generation leads global politics. They are not always able to separate what is right from what is mere commercial interest and, therefore, they do not always know what must be done, but this is a detail that should be clarified. For this reason, companies from all continents – and ours as

well – must be firmly committed to this cause. In fact, the ESG (literal translation for environment, sustainability and governance) have been gaining importance in all quarters, and companies are trying to adjust to the explicit agenda it represents. This is very important for international trade, as well as the Green Deal that has been piecing together a structure in Europe, spreading to the United States and Canada, and more recently to China itself.

It is a mechanism that seeks to prevent products with a high carbon footprint from entering Europe.

Of course, this can have an impact on our exports, if we do not take the necessary steps, which are basically three: first, end the aforementioned illegalities (deforestation, fires, land grabbing, illegal sale of wood, illegal mining, etc.), in addition to solving the land issue once and for all in various regions of the country, a producer without formal land ownership cannot obtain credit and ends up committing illegalities in order to survive. And all of this is the government's role at its three levels, federal, state/district and municipal.

It is not an easy task, given the extension of the area (half of the Brazilian territory) and the difficult access, but it is essential to solve this once and for all. Once the law is complied with, it will be necessary to communicate this exhaustively, to eliminate the "excuse" used by governments or competitors that Brazilian soy, for example, comes from illegal deforestation. And the third step will be a broad diplomatic action in search of bilateral and/or multilateral agreements, as announced in 2019 between the European Union and Mercosur, which guarantee new markets for our products.

- What is the behavior of Agribusiness in the face of the economic crises and the impacts caused by the Covid-19 pandemic?

The pandemic had two important consequences in terms of global agriculture. The first is the recognition that rural activity has not stopped, while all other sectors have suffered dramatic interruptions, with consequent unemployment, business bankruptcy and increased poverty. And it didn't stop because it can't stop. Field work is determined by nature. There is a right time to plant, to cultivate, to harvest, to distribute, to prepare the soil for planting again. It's a permanent cycle. And that's why there's no food shortage. The field

never stops. This recognition brought changes in public policies in several countries, with a neo-protectionism represented by a ban on the export of surpluses in some, or by a



ban on imports in others. Everything is still in its infancy, but governments are clearly concerned with guaranteeing supplies to their populations. And this is the second major consequence of the pandemic: rebirth of the concept of food security, so relevant after the World War II and that had lost importance with the global food abundance. There is no shortage of offers. Where hunger persists, it does so due to the lack of resources that would allow consumption, a situation faced by of many poor people in the world. In short, the pandemic has lit 2 beacons for the immediate future of humanity: food security and sustainability, the latter represented by the already addressed issue of the environment, added to climate change, water scarcity, desertification, etc. In this entire scenario, Brazilian agribusiness gave an extraordinary demonstration of competence and competitiveness. Basil was one of the few countries that increased its exports. In 2020, we exported 100.81 billion dollars from agribusiness, with a trade balance of 87.76 billion dollars, the highest in the world. This was largely due to the growth in de-

mand determined in general by the pandemic and by China due to specific problems, and was also due to the appreciation of the dollar against the real, which added to the increase in

dollar prices on global exchanges. All these situations stimulated exports and generated extra income for Brazilian producers who had already done their part by harvesting yet another record grain crop amid the pandemic.

- What are the projections for 2021 and the economic analysis based on the results generated by Agribusiness in 2020?

The good results of 2020 allowed an even larger area of grains to be harvested in 2021. The size of the harvest will depend on the behavior of the weather, which has been worse than in the previous season: the rains were delayed, delaying the planting of the main commodities, and reducing the time available for planting the second crop, or winter crop, represented mainly by corn and wheat. On the other hand, drought and very high temperatures in October/November 2020 affected future harvests of the main permanent or semi-permanent crops in 2021, such as sugarcane, coffee and oranges, whose productions will probably be lower than

in the previous year. Prices, although above the historical average in Chicago, will depend on two main factors: the exchange rate and trade relations between the United States and China. Exchange is always an uncertainty. The crop planted in October/December 2020 had high costs, at an exchange rate of around BRL 5.30 per dollar. If, in the next harvest, the dollar is below that, there will be an exchange rate "mismatch" that could bring down prices in reais, harming the producer, which would be exactly the opposite of what happened in the last harvest. And Joe Biden's new administration in the US has not yet made clear what his relationship with China would be. But since he has a more multilateralist posture than his predecessor, he will return to the Paris Agreement (resuming a much more robust environmental policy), and resume commitments with the WTO and the WHO, so that the so called "trade war" with China gains flexibility, which could impact our exports. To remember this importance, it is enough to mention that of the total exported in 2020, 34% went to China, our biggest market.

In summary, the prospects for Agribusiness in 2021 will depend on 3 elements: climate, exchange rate and China.

- Is it possible that Brazil will have the capacity to attract more international investments in its economic and agribusiness activities in 2021?

Attracting investments will depend on some political and economic factors. First, we need the celebrated Reforms that have been long in the making, despite recurring promises in their favor. The first to be carried out should be the State Reform, defining its size and, therefore, its maintenance cost, which is currently very high when compared to developed countries. It is necessary to downsize the government's infrastructure, which is currently very expensive and incompatible with the country's income (GDP). Secondly, the Tax Reform to be established in the same direction: less burden for the taxpayer and greater collection, always with a view to fiscal balance. It will also be imperative to enforce (and improve over time) essential laws that guarantee legal certainty and results for investors, such as labor law, public-private partnerships, social security, and the aforementioned environmental legislation. On specific issues, the issue of land purchase by foreigners, so surrounded by mistrust and fears about national sovereignty, must be resolved.

Other promises such as privatization and economic liberalization are stimulating factors for international and national investors

Economic stability is fundamental and depends in part on political stability, with an efficient control of inflation, interest, and exchange rates, fighting corruption and illegalities, public spending, and others. We have the conditions for all this to happen. But it's not enough: it's essential that they happen, so that we don't once again miss the train of history that is arriving at the TODAY station.

Agribusiness

Vision 2021



The future is agro and Brazil is the protagonist. What do we need to control this wealth?

In 1957, John Davys and Ray Goldberg had already denoted the elements of agribusiness' evolution linked to technology and chain integration. In 2018, the National Confederation of Agriculture published that "the future is agro" and proposed a State policy for Brazilian agribusiness.

A study carried out by Embrapa exposes the capacity of Brazilian agribusiness to feed more than 800 million people around the globe. That number represents more than 10% of the current world population. The creation of the Brazilian Agricultural Research Corporation, linked to the Ministry of Agriculture, Livestock and Supply - MAPA, in the 1970s, was an important milestone in the development and technological improvement of Brazilian agribusiness, which today occupies the first position in production and export of the most important agricultural commodities.

The transformation in the country was progressive. From the 1990s onwards, the term was incorporated into the market, and the study of agribusiness systems, in a network and as an agri-food chain, which began to privilege the analysis of the interrelationships between the various agents through the economy of transaction costs, and was highlighted in the conceptual approach of Professors Decio Zylbersztajn and Elizabeth Farina.

Already considered a "superpower" by the United

States Department of Agriculture - USDA, Brazilian agribusiness is responsible for boosting Brazil's economy and reached a 26.6% share of the GDP in 2020, even in an atypical year, with a public health crisis.

It is necessary to understand the structural chain, under the prism of sustainability vs globalization. Thus, the first essential point is to link our public and private policies to the global effects of the cooperation vs. competition binomial.

Second point, it is necessary to understand the context of the crisis that the Planet is experiencing. It is quite true that global capitalism was better regulated after another crisis, the 2008 financial crisis. Therefore, the post-coronavirus era may mean a resumption with room for a prediction of more solid and efficient economies, that are less unequal and more sustainable. Soci-

ety's demand (of more than 7 billion people) is growing every day. While Zygmunt Bauman believes that this new consumer stance is a disease of capitalism, Jeremy Seabrook sees in it the very health and robustness of the system. Human relations, Law, and countless interpretations, that's wonderful. No wonder political philosopher Hannah Arendt observed, in one of her works, that the human being, despite coming from nowhere, arrives well equipped to deal with what comes at it and to take part in the world's game.

This is how Brazilian agribusiness is: Adaptive That is why our "tropical technology" is a model for sustainable productivity, simply analyze the numbers of agribusiness in Brazil. We went from 20 billion dollars exported in 2000 to 100 billion dollars in 2020, which means a 48% share of Brazilian exports according to MAPA data. The five main export sectors of agribusiness were: meat (20.6%); cereals, flours, and preparations (14.3%); sugar-alcohol complex (13.7%); forest products (12.6%); and fibers and textile products (8.2%). Over 50% of exports were destined for China, the European Union, and the United States. All this keeping more than 66% of the national territory preserved in native forests.

Let's not forget the numbers of Agricultural Cooperativism, a great asset of Brazilian agribusiness, which adds value to production within the country through the industrialization processes

and standardization of commodities, whether for internal supply or international destination. Today, there are 1,223 agricultural cooperatives in Brazil, with an accumulated turnover of 110 billion reais in 2020, exporting to more than 150 countries around the world.

This is Brazilian agribusiness: synonymous with food security. The sector, which, according to the OECD Projection, should increase its food production by 41% by the 2026/2027 period, also has commitments assumed in the field of environmental preservation, through the Paris Agreement, for example.

There is a great movement in the market to meet the ESG criteria (Environment, Social and Governance), in a cascade effect, pushed by a competitive adaptation and imposition of the countries that purchase agricultural commodities. Some are illegal requirements; others are recognized as trade barriers.

Sustainability, today's watchword. Social, economic, and environmental balance in vogue. There is a strong and sovereign State in Brazil, a Federal Constitution that lists food supply and the promotion of agricultural production as a fundamental precept in its art. 23, item VIII.

The need for resources, whether public or private, grows. It is also possible to see the modernization of the sector regarding legal incentives. There are many regulations issued in 2020, in addition to the projects that are being processed in the National Congress with the aim of reducing bureaucracy in the sector and enabling tools that can carry out activities in a sustainable manner. And there it is, the key point for the control of agribusiness wealth.

The agribusiness agenda is gigantic. And the law? It is up to the Law to subsidize Brazilian agribusiness so that it operates to generate wealth for its people, through jobs and, mainly, food on the table. Only the Law can bring legal security to relations and to the investment environment that the sector needs to assume its leading role in the world.

By **Rafaela Parra**, partner, and head of the Environmental Law department .



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BRANCH



AGRIBUSINESS



COOPERATIVISM

Message to the team

To you, who have been with us in these 20 years and through this atypical 2020, we thank you so much! We have built a history and everyone's participation is very important to us. Araúz Advogados is much more than a law firm, it is a place made up of people who help us grow and mature with each day that passes. In 2021, we will be side by side, prepared for new challenges and achievements!

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