

ACTION COPY

ACTION TAKEN _____

FT-1
XR POL-15 COSTA E SILVA
(1A-5)

UNCLASSIFIED

A-39

P.O.	1
Pol/Exec	2
Adm.	
PER	
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Uis	
PSO	
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MSG	
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TO : DEPARTMENT OF STATE

**INFO. : Belém, Brasília, Recife,
São Paulo, Porto Alegre**

FROM : AmEmbassy, RIO DE JANEIRO

January 23, 1970.

SUBJECT : Export Incentives: IPI Bonus Made Transferrable

REF : A-197, March 27, 1969

The IPI bonus credit established by Decree-Law 491 and Decree 64833 was made transferrable between establishments by Finance Ministry regulation Portaria 14 issued on January 16, 1970. Under the original legislation use of the bonus credit was seen primarily as an offset against internal IPI tax liabilities and transferability was limited to related firms. The effect of the present measure which allows use of the credit in paying suppliers is to make the credit much more useable and therefore a more effective instrument in stimulating exports.

ELERICK

AMB
DCM
MINECON
POL
ADM
ECON-4
ECON/COML
USAID-4
ADDP
DPEC
FINATT-2
CF-2

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