

NORMATIVE INSTRUCTION N.º 844 , OF MAY 9, 2008

DOU de 12.5.2008

Discusses about the applicability of the special customs system of export and of import of goods destined to the activities of research and of plough of the beds of oil and natural gas, REPETRO.

Amended the Normative Instruction nº 941, of May 25, 2009.
Amended the Normative Instruction nº 1.070, of September 13, 2010.
Amended the Normative Instruction nº 1.089, of November 30, 2010.

THE **SECRETARY OF THE FEDERAL INCOME OFFICE OF BRAZIL** in the use of the attribution that checks him/her the item III of the art. 224 of the Internal Regime of the Federal Income Office of Brazil, approved by MF Ordinance number 95, from April 30, 2007, and pursuant with the provisions of article 415 of the Ordinance nº 4.543, of December 26, 2003, resolves:

CHAPTER I PRELIMINARY PROVISIONS

Section I Definitions

Section 1 - The special customs system of export and import of goods directed to the research and exploration activities of oil and natural gas reservoirs (REPETRO), created by Decree 4.543 of December 26, 2002, shall be applied in compliance with what is provided for in this Normative Instruction.

Sole Paragraph. For the effects of this Normative Instruction there shall be considered as follows:

I - research or exploration: set of operations or activities, including the drilling ones, directed to assess areas, aiming at the discovery and identification of oil or natural gas reservoirs; and

II - exploration or production: set of coordinated operations for extracting oil or natural gas from a reservoir and preparing its movement.

Section II Purpose of REPETRO

Section 2 - Repetro is applicable to the goods listed in the Sole Annex to this Normative Instruction.

1st Paragraph. The regime may also be applied to machines, devices, instruments, tools, equipment and to other parts or pieces, including the spare parts, directed to:

I - ensure the operationability of the goods admitted in Repetro;

II - salvage, prevention of accidents and fire fighting; and e

III - Protect the environment.

2nd Paragraph. It is further excluded from Repetro's application those goods that comply with what is provided for in the introduction and in the 1st paragraph:

I - whose use is not directly related with the activities established under section 1;

II - whose main function is people's accommodation, transport or individual protection;

III - which do not allow its full identification during the validity and extinction of the regime; and

IV - object of the commercial lease agreement referred to under section 17 of Law No. 6.099 dated of September 12, 1974 and item III of section 1 of Law No. 7.132, of October 26, 1983.

Section 3 - Repetro accepts the possibility of use of the following customs treatments, as applicable:

I - export, without its exit from the customs territory, and the subsequent grant of the temporary admission special regime to the exported goods;

II - import of raw materials, semi-finished or finished products and parts and pieces, for the production of goods to be exported pursuant to the terms of item I, under the drawback regime, within the modality of suspension of the payment of duties; and

III - grant of the special temporary admission regime, when it refers to foreign or denationalized goods that come directly from abroad.

Section 4 The regime that is being referred to in this Normative Instruction shall be granted up to December 31, 2020, with the full suspension of the payment of the duties assessed over it, pursuant to the terms of clause "a", Item I of Section 328 of Decree No. 4543, of 2002, with the wording provided by Section 1 of Decree No. 5.138, of July 12, 2004.

CHAPTER II QUALIFICATION TO REPETRO

Section 5 . Repetro shall be used exclusively by a legal person qualified by the Brazilian Federal Revenue Office (RFB).

1st Paragraph. The legal person that meets the following conditions may be qualified to Repetro:

I - holder of concession or authorization, pursuant to the terms of Law No. 9.478, of August 6, 1997, to exercise, within the Country, the activities provided for in Section 1; and

II - legal entities contracted by the legal entity referred to in item I for time charter or provision of services for the performance of the activities under the grant or authorization, as well as its subcontractors. (Writing given by RFB Normative Instruction nº 1.070, of September 13th, 2010)

§ 2 Legal entities contracted as provided in item II of § 1, or its subcontractor, may also be approved to Repetro to promote the import of goods under a charter agreement, being a party or not, entered into between a legal entity located abroad and the grantee or authorized party, provided that the import of goods is provided in the services agreement or time charter agreement. (Writing given by RFB Normative Instruction nº 1.070, of September 13th, 2010)

§ 3 When the legal entity contracted as provided in item II of § 1 is located abroad, the company located in the country designated by such legal entity to promote the import of goods may be approved to Repetro, in compliance with the specific legislation. (Writing given by RFB Normative Instruction nº 1.070, of September 13th, 2010)

§ 4 The designated legal entity must be provided in the services agreement or time charter agreement. (Writing given by RFB Normative Instruction nº 1.070, of September 13th, 2010)

§ 5 The legal entity designated for the provision of the service related to the operation of maritime auxiliary vessel shall only be approved if it is qualified by the Waterway Transportation National Agency (Antaq) as a Brazilian Navigation Company (EBN), duly evidenced. (Included

by RFB Normative Instruction nº 1.070, of September 13th, 2010)

§ 6 The regulatory conditions for authorization of charter of maritime auxiliary vessels shall not be reviewed in the approval process to Repetro, being under the responsibility of Antaq, as provided in the specific legislation. (Included by RFB Normative Instruction nº 1.070, of September 13th, 2010)

§ 7 The evidence of compliance with the requirements related to the import and export of goods, under the responsibility of other governmental agencies or entities, if necessary, shall only be requested at the time of use of the customs procedures provided in article 3. (Included by RFB Normative Instruction nº 1.070, of September 13th, 2010)

§ 8 In the case provided in § 9 of art. 17, the legal entities referred to in item II of § 1 may be approved to Repetro based on the services agreement, provided that it is executed along with the bareboat charter agreement, operational lease agreement, lease agreement or loan agreement. (Included by RFB Normative Instruction nº 1.089, of November 30th, 2010)

Section 6 The submission of one's own computerized accounting control system that allows the follow-up of regime's application, as well as the use of the goods in the activity for which they have been admitted is a requirement for the qualification

1st Paragraph. The legal qualified person shall assure RFB's direct and unrestricted access to the control system referred to in the introduction.

2nd Paragraph. The characteristics, information and technical documentation of the control system that this section refers to shall comply with the specifications provided for in a Joint Action of the General Coordination of Customs Administration (Coana) and the General Coordination of Information Technology (Cotec).

Section 7 The application for Repetro's qualification shall be directed to the Superintendent of the Brazilian Federal Revenue Office of the fiscal area where the interested party's registered office is located, jointly with the documents that evidence compliance with the requirements provided for in Sections 5 and 6 and the list of branches that shall use the regime.

Section 8 The qualification to Repetro shall be granted through an Executive Declaratory Action (ADE) of the Superintendent of the Brazilian Federal Revenue and it shall have national validity after its publication

Sole Paragraph. The approval shall be granted for the term of the granted or authorized services agreement, as the case may be, with permit to be extended at the same proportion of the latter. (Writing given by RFB Normative Instruction nº 1.070, of September 13th, 2010)

CHAPTER III THE EXPORT WITHOUT EXIT FROM THE CUSTOMS TERRITORY

Section 9 The export of the goods referred to in the caput and 1st paragraph of Section 2, manufactured within the Country, inclusively with the use of goods imported pursuant to Item I of Section 3, without their exit from the customs territory shall be accomplished by the respective manufacturer or by a business exporting company referred to in Decree-Law No. 1.248, of November 29, 1972, to the company headquartered abroad, in a freely exchangeable currency.

Sole Paragraph. The goods exported pursuant to this section shall be delivered within the national territory, under customs control, to the foreign buyer or, upon its direction, to a legal person qualified to Repetro.

Section 10. The customs clearance for the export of the goods referred to in section 9 shall be performed based on the Export Statement (DE) completed on the Integrated Foreign Trade System (Siscomex).

1st Paragraph. The export shall be deemed accomplished, for all tax and exchange effects, on the date of the corresponding customs clearance, upon the waive of its shipping abroad.

2nd Paragraph. The customs clearance for exportation shall only be accomplished after checking the compliance with the requirements defined for Repetro's application.

3rd Paragraph. The customs clearance of export and temporary admission shall be processed at the same unit of RFB, in a sequentially and matching manner.

Section 11. . The exports submitted to customs clearance pursuant to the terms of Section 10 shall be accepted so as to evidence the compliance with the obligations derived from the application of the drawback regime.

Sole Paragraph. The provisions of the introduction of this section is further applicable, in the case of obligations derived from the suspension of the Excise Tax related to National raw materials, semi-finished or finished products and parts or pieces used in the manufacture of the exported product, pursuant to the terms of the specific law.

Section 12. The tax treatment provided by law to the exports is ensured to the national manufacturer, after the completion:

I - of the purchase operation of the products manufactured by it, by the business exporting company, pursuant to Decree-Law No. 1.248, of 1972; or

II - of the export customs clearance, in the event of direct sale to a person headquartered abroad

Section 13. The tax responsibility assigned to a to commercial exporting company, regarding the purchases from a national producer, shall be solved upon the conclusion of the export customs clearance, pursuant to the terms and conditions established in Section 5 of Decree-Law 1.248, of 1972.

CHAPTER IV TEMPORARY ADMISSION SPECIAL REGIME

SECTION I Requirements for the Application of the Regime

Section 14. The temporary admission customs regime can be applied to the goods referred to in the introduction and in the 1st paragraph of Section 2, provided they comply with the following conditions:

I - Are owned by a person located abroad;

II - Are imported without exchange covering; and

III - Come directly from abroad, have been subject to a export customs clearance pursuant to the conditions established in Section 10 or have been transferred from another customs regime.

Sole Paragraph. In case it is a vessel or platform, the application of the regime is further conditioned to the submission of an authorization for staying within Brazilian territorial waters, issued by the relevant body of the Brazilian Navy.

Section II Liability Commitment

Section 15. The tax obligations suspended by the application of the temporary admission regime referred to in Section 14 shall be provided for in a Liability Agreement (TR), pursuant to the form provided for in Annex I of SRF Normative Instruction No. 285, of January 14, 2003.

Sole Paragraph. The TR shall not include the values of the cash penalties and other legal accretions, which shall be subject to a specific recording in case of default of the conditions established for the application of the regime.

Section 16. There shall be required the provision of a guaranty under the form of a deposit in cash, pledge of federal public debt bonds, reputable surety or customs insurance for the benefit

of the Federal Government, at the discretion of the beneficiary party, in a value equal to the total duties suspended due to application of the regime.

1st Paragraph. There shall not be required a guaranty when the amount of the suspended duties is inferior to R\$ 20,000.00 (twenty thousand reais), or if it is a body or entity of the direct, public administration or of an independent government agency or foundation of the Federal Government, States, or Municipal Districts.

2nd Paragraph. Upon the provision of the surety, the conditions and requirements provided for in the 4th paragraph of Section 8 of SRF Normative Instruction No. 285 of 2003 shall be complied with.

Section III Application for and Grant of the Regime

Section 17. The application for the regime shall be accomplished upon the submission of the Regime Grant Application (RCR), pursuant to the form in Annex II to SRF Normative Instruction No. 285, of 2003.

1st Paragraph. The RCR shall be submitted with the following documents:

I - ADE of qualification to Repetro;

II - copy of the proforma invoice or equivalent document;

III - copy of the charter agreement, operational lease agreement, lease agreement or loan agreement, for the goods set forth in the Sole Annex to RFB Normative Instruction No. 844, of 2008; and

IV - documents that evidence compliance with the conditions provided for in Section 14.

2nd Paragraph. Upon the admission of the goods referred to in the 1st Paragraph of Section 2 is not supported by an operational lease, rental or loan agreement, the proforma invoice shall indicate the nature of the assignment.

3rd Paragraph. In case of good subject to exportation without its exit from the customs territory, the RCR shall be submitted to the RFB's unit responsible for the export customs clearance, with indication of the respective Export Register (RE).

4th Paragraph. In the case of a good transferred from another customs regime, the RCR shall be submitted with the Customs Regime Transference Document (DTR), in accordance with what is provided for in SRF Normative Instruction No. 121 of January 11, 2002, as amended by the Normative Instructions SRF No.335, of June 24, 2003, and 410, of March 19, 2004.

5th Paragraph. Upon the submission of the RCR, the interested party may require the inspection of the goods, pursuant to Section 10 of Normative Instruction SRF No. 680 of October 2, 2006.

6th Paragraph. In case of application for the regime for a vessel or platform, the RCR shall also be submitted with an inventory of the goods onboard, imported without exchange covering.

7th Paragraph In the case provided in § 3 of art. 5, the designated company must also submit a copy of the services agreement entered into between the franchisee or authorized company and the contractor domiciled abroad. (Included by RFB Normative Instruction nº 1.070, of September 13th, 2010)

8th Paragraph The local unit of RFB may request the copy of the services agreement to be submitted, when deemed necessary. (Included by RFB Normative Instruction nº 1.070, of September 13th, 2010)

9th Paragraph In case the franchisee or authorized party makes available any goods to the company contracted for the provision of services, a bareboat charter agreement, operational lease agreement, lease agreement or loan agreement, entered into between the franchisee or authorized company and the foreign company, shall be accepted provided that: (Included by

RFB Normative Instruction nº 1.089, of November 30th, 2010)

I – it is linked to the performance of a services agreement, related to the activities provided in art. 1; and (Included by RFB Normative Instruction nº 1.089, of November 30th, 2010)

II – it contains a clause providing for the transfer of the guard and ownership of the goods. (Included by RFB Normative Instruction nº 1.089, of November 30th, 2010)

10th Paragraph. For the purposes of § 9, in case the assignment of the goods to the company requesting the special customs regime is not provided in the agreements referred to in item III of § 1, RCR shall also present evidence on the transfer of the guard and ownership of the foreign goods to the interested party. (Included by RFB Normative Instruction nº 1.089, of November 30th, 2010)

Section 18. The full official of RFB's unit is responsible for the customs clearance, the grant of the temporary admission regime referred to in this Normative Instruction, as well as the definition of the term of stay of the goods in the Country

Sole Paragraph. The authority referred to in the introduction herein may authorize, in light of the beneficiary's grounded application, the application of the regime to the goods referred to in the 1st Paragraph of Section 2, before the admission of the goods to which they are associated, in case the previous admission is critical for the installation of those goods.

Section IV Effectiveness Term of the Regime

Section 19. The term of stay of the goods provided for in the Sole Annex to this Normative Instruction shall be the one provided for in the concession, authorization or services agreement, as applicable.

1st Paragraph. When the imported goods are the object of an operational lease, rental or loan agreement, the effectiveness term of the regime shall not exceed the one provided for in this agreement.

2nd Paragraph. In case of a temporary admission of the goods referred to in the 1st Paragraph of Section 2, the period of stay shall be equal to the one established for the goods to which they are attached.

3rd Paragraph. In case of temporary admission of a vessel or platform, the effectiveness term of the regime can not exceed the one provided for in the authorization issued by the relevant body of the Brazilian Navy for staying in Brazilian territorial sea.

Section V Customs Clearance Procedures

Section 20. The customs clearance for admission of goods in the regime shall be accomplished based on the Import Statement (DI), submitted by the beneficiary legal person.

1st Paragraph. The statement must be submitted jointly with the following documents:

I - bill of lading or equivalent document, when it refers to goods coming directly from foreign countries.

II - proforma invoice or similar document;

III - copy of RCR granted by the authority referred to in section 18;

IV - TR related to the tax liabilities suspended by the application of the regime;

V - export statement jointly with the respective Invoice, when it refers to goods manufactured in the country, exported, without its exit from the customs territory;

VI - 1st (first) counterpart of the authorized DTR, when it refers to goods transferred from

another customs regime; and

VII - packing-list.

2nd Paragraph. Coana may establish the type of statement for the clearance to which this section refers.

Section VI Extension of the Effectiveness Term of the Regime

Section 21. The extension of the effectiveness term of the temporary admission regime shall be granted at the request of the interested party, based on an Application for Extending the Regime (RPR), in accordance with the form provided for in Annex III to the Normative Instruction SRF No. 285, of 2003, submitted by the beneficiary before the expiration of the term that had been granted.

1st Paragraph. The RPR shall be presented jointly with the following:

I - a new TR;

II - ADE valid on the date the application for extension is officialized;

III - amendment or a new operational lease, rental or loan agreement, as applicable; and

IV - authorization for permanence in the Brazilian territorial sea, issued by the relevant body of the Brazilian Navy, when it is a vessel or platform that requires an authorization.

2nd Paragraph. In case of temporary admission of the goods referred to in the 1st Paragraph of Section 2, the effectiveness term of the regime shall be deemed automatically extended to the same extent of the term of the goods to which they are associated, upon the waive of any formality.

Section 22. The head of RFB's unit responsible for the grant is responsible for the extension of the effectiveness term.

Sole Paragraph. In the event of submission of the RPR at the RFB's unit with jurisdiction over the local where the goods are, its head shall be responsible for deciding on the extension requested and forwarding the respective process, together with the new TR to the unit responsible for the grant, for controlling purposes.

Section 23. There shall be refused the application for extension submitted after the end of the term established for the stay of the goods in the Country.

Section VII Shared Use of Goods

Section 24. The goods submitted to Repetro can be used in a shared way, by the same beneficiary, inclusively by a facility other than the one that has been granted the regime, in order to perform another agreement provided for in the ADE of the qualification.

1st Paragraph. In the event provided for in the introduction herein, the beneficiary shall inform to the RFB's unit that granted the regime, before the displacement of the goods, the agreement to be performed, the facility and the location where the shared use shall occur.

2nd Paragraph. There shall not be required the reporting of the shared use for the goods referred to in the 1st Paragraph of section 2 when it is submitted jointly with the goods to which they are associated.

3rd Paragraph. The term of the agreement that served as a basis to grant the regime must be complied with .

4th Paragraph. In order to apply the provisions of this section, the original services agreement shall not have a clause providing for the exclusive use of assets.

Section VIII
Extinction of Regime's Applicability

Section 25. The temporary admission regime terminates upon beneficiary's adoption of one of the following measures, which shall be required within the term established for the stay of the asset in the Country:

- I - re-export, inclusively in the case of the asset referred to under item I of Section 3;
- II - Delivery to the National Treasury, free of any expenses, provided the customs authority agrees to receive it;
- III - destruction at the cost of the interested party.
- IV - transfer to another special customs regime; or
- V - shipping for consumption.

1st Paragraph . The temporary admission regime shall also be extinguished in case of a new grant of Repetro, pursuant to the terms of this Normative Instruction, being waived the exit of the goods from the customs territory.

2nd Paragraph. The adoption of the measures for the extinction of the application of the regime shall be requested by the interested party to the head of RFB's unit with jurisdiction over the location where the goods are, who may waive the submission of the goods in reasonable events.

3rd Paragraph. The customs unit referred to under the 2nd Paragraph shall notify the fact to the one that granted the regime, in order to write-off the TR.

4th Paragraph. In case of the re-export customs clearance processed within a custom area of the secondary zone, the displacement of the good to the point of exit from the customs territory shall be accomplished under the customs transit regime.

5th Paragraph. The re-export required out of the term established herein shall only be authorized after the payment of the penalty provided for under item I of Section 72 of Law No. 10.833, of December 29, 2003.

6th Paragraph. In case of the extinction referred to under items II through IV of the caput, there shall not be required the payment of the suspended duties by the application of the regime, without prejudice to the requirement of the penalty referred to in the 5th Paragraph, in case the measure has been requested after the expiration of the effectiveness term of the regime and before the beginning of the requirement of the credit formed in TR.

7th Paragraph. The eventual waste derived from the destruction, if economically usable, shall be shipped for consumption as if it had been imported in the state it is and without exchange covering.

8th Paragraph. The shipping for consumption as a modality for extinguishment the regime shall be accomplished upon compliance with the legal and regulatory requirements that rule the imports, inclusively those regarding the payment of the taxes assessed over it that are valid on the date of the registration of the respective DI, without prejudice to the requirement of the penalty referred to in the 5th Paragraph, in case the measure has been required after the expiration of the effectiveness term of the regime and before the start of the requirement of the credit formed in TR.

9th Paragraph. In the event of what is provided for in the 8th Paragraph, the measure for the extinguishment of the regime on the date of the application for the respective import license shall be accomplished timely, provided this application is formalized within the effectiveness term of the regime and the license is granted.

10th Paragraph. In case of refusal of the application for extending the term or the requirements to which items II through V of the caput refer to, the beneficiary shall adopt another measure

for the extinction of the regime within thirty days counted as from the awareness of the decision, except if the remaining term established for the stay of the goods in the country is superior to it.

Section 26. In case of a vessel or platform, after the accomplishment of the re-export, while authorized to remain the Brazilian territorial sea by the relevant body of the Brazilian Navy, it shall be considered automatically under the temporary regime system, pursuant to the terms of Section 5 of the Normative Instruction SRF No. 285, of 2003, upon the waive of its exit from the customs territory.

Sole Paragraph. In the event referred to in the caput:

I - the vessel or platform may not be used in any activity, even if it is provided for free;

II - The beneficiary shall provide, for customs control purposes, as follows:

a) copy of the authorization of the competent organ of the Navy of Brazil, besides of your extensions;

b) prior communication of the local of destination, in the case of displacement of the good, to the RFB's unit responsible for granting the regime and to the unit that has jurisdiction over the new local where it shall be moored; and

c) the copy of the exit authorization to the foreign port, upon the definitive exit from the Country;

III - the annotation of the re-export shall occur automatically upon the custom clearance of the good; and

IV - the grant of the new regime for the same good, in case a new agreement is entered into, may be authorized, without requiring its exit from the customs territory.

Section IX New Admission into the Regime

Section 27. A new temporary admission can be granted, without requiring the exit from the customs territory, provided the requirements for the application of the regime provided for in the Normative Instruction and subject to the formalities required for the extinction and concession of the regime, being waived the physical verification of the good, in case of:

I - change of the beneficiary of the regime;

II - change of value due to inventory consolidation, incorporation or reduction of goods submitted to the regime;

III - expiration of the period for the stay of the good in the Country, without being required its extension or one of the measures provided for in Section 25.

1st Paragraph. The head of the RFB's unit with jurisdiction over the location where the good is is responsible for granting a new temporary admission and he shall notify the procedure adopted to the RFB's unit responsible for the former grant, for purposes of writing-off the TR.

2nd Paragraph. In the event of the hypothesis provided for under item I of the introduction, the grant of the regime is conditioned to the consentment of the former beneficiary.

3rd Paragraph. In the events provided for under items I and II of the introduction, the former regime shall be deemed extinguished after the customs clearance of the statement of admission in the new regime, or after the expiration of the term of the former regime, wherever occurs first.

4th Paragraph. The responsibility of the new beneficiary begins with the customs clearance of the statement of admission provided for in the 3rd paragraph.

5th Paragraph. In the event of item II of the introduction, the beneficiary shall:

I - submit the new agreement within the validity term of the temporary admission customs regime originally granted;

II - present a new inventory of the vessel, so as to include the goods incorporated to it; and

III - inform, relatively to each good included in the inventory, per RFB's unit, the number of the process and the number of the corresponding DI, detailing it by addition and item.

6th Paragraph. In the event of item III of the caput, there shall be required the payment of a penalty provided for under item I of Section 72 of Law No. 10.833, of 2003.

7th Paragraph. The application of the new regime shall be presented before the beginning of the accomplishment of the TR.

Section X Writing-off the Liability Commitment

Section 28. After the extinction of the application of the regime, the TR shall be write-off.

1st Paragraph. There shall be admitted the proportional writing-off of TR, releasing the warranty in the corresponding amount, where there is the partial extinction of the application of the regime.

2nd Paragraph. The TR's writing-off shall be annotated on the regime beneficiary's counterpart, upon its submission for this purpose.

3rd Paragraph. The executed TR shall also be written-off in case of extension of the regime, pursuant to the terms of Section 21, after the officialization of the new TR.

4th Paragraph. The TR shall be written-off by the RFB's unit that granted the regime, even if it was not responsible for its drawing up.

Section 29. In the event of accident, fire, shipwreck or other loss involving the goods submitted to the regime, in which the beneficiary has not caused it and it does not derive from deviation of purpose, there shall occur as follows:

I - the regime shall be kept if the damaged good still complies with its purpose, with the review of its value and the corresponding reduction of the TR's and guaranty's value, at the request of the beneficiary;

II - there shall be considered extinguished the application of the regime for the goods:

a) of which there are only residues, upon the application of the provisions related to the destruction provided for under item III of Section 25; and

b) that have been lost or those that can not be submitted to inspection.

1st Paragraph. The acknowledgment of the loss shall occur upon the submission of the technical report issued by:

I - body or official entity with authority; or

II - engineer or technician responsible for the operation of the claimed good, based on the daily bulletin, prepared in compliance with the rules of the International Association of Drilling Contractors (IADC), or other document adopted by the contracting parties for that purpose.

2nd Paragraph. The beneficiary shall present, if any, a slipt evidencing the indemnification of the loss.

3rd Paragraph. For the purposes of TR's writing-off, the measures provided for under items I and II of the introduction shall be reported to RFB's unit in charge of the application of the regime, as applicable.

Section XI
Demand of the Tax Credit

Section 30. The tax credit formed in TR shall be required in the following hypotheses:

I - expiration of the term of stay of the goods in the Country, without having been required its extension or upon the failure to perform one of the measures provided for in Section 25;

II - expiration of the 30-day term, under the situation referred to in the 10th Paragraph of Section 25, without promoting the good's re-exportation;

III - submission of the goods that do not correspond to the ones that entered into the Country, so as to take the measures provided for in Section 25;

IV - use of the goods for a purpose other than the one that justified the grant of the regime; or

V - destruction of the goods, either due to beneficiary's negligence or willful misconduct.

Sole Paragraph. The execution of the TR shall be accomplished in accordance with the procedures provided for in Normative Instruction SRF No. 285, of 2003.

Section XII
Repetro's Control

Section 31. The control of the temporary admission regime, as to the validity term, shall be accomplished by RFB's unit that accomplishes the grant.

Sole Paragraph. The effectiveness term of the regime of the goods provided for in the 1st Paragraph of Section 2 shall be controlled by RFB's unit that grants the regime to the main asset.

Section 32. The use of the goods in the activities referred to in Section 1 shall be controlled by the RFB's unit with jurisdiction over the local where the oil or natural gas production and research activities are performed, upon periodical audits and investigations.

Section 33. The goods submitted to the regime, when not being used in the activities referred to in Section 1, may remain stored in an area not bounded for the necessary time to return to the activity or adoption of the measures for the extinction of the regime.

1st Paragraph. The local defined for the storage of the goods shall offer the tax safety conditions required acknowledged by an authorization provided by the head of the RFB's unit that has jurisdiction over it.

2nd Paragraph. The goods stored at the authorized location shall remain submitted to the regime, being forbidden its use under whatever title.

CHAPTER V
ADMINISTRATIVE SANCTIONS APPLIED TO REPETRO

Section 34. The beneficiary of the regime is subject to the following administrative sanctions:

I - Warning in case of:

a) non-compliance with a requirement, condition or operational rule either to qualify itself to the regime or to use it; and

b) the practice of any act that impairs the identification or counting procedure of the goods under customs control;

II - suspension of the qualification:

a) for 30 (thirty) days, in case of recurrence in a behavior already punished with warning; and

b) for 30 (thirty) days, for the practice of any other behavior punished with the suspension of

the qualification, pursuant to the terms of specific law;

c) for the term equal to double the former suspension term, in case of recurrence of behavior already punished with suspension; and

III - cancellation of the qualification, in case of:

a) accumulation, within a 3-year (three) term, of suspension whose total term exceeds 12 (twelve) months; and

b) practice of any other behavior punished with cancellation or forfeiture of the qualification, pursuant to the terms of specific law.

1st Paragraph. The application of the administrative sanctions provided for in this section:

I - does not waive the penalty provided for under clause "e" of item VII of Section 107 of Decree-law No. 37, of November 18, 1966, with its wording provided for by Section 77 of Law No. 10.833 of 2003; and;

II - it does not impair the application of other applicable penalties and the tax complaint for criminal purposes, as applicable.

2nd Paragraph. The administrative sanctions shall be applied as provided for in Section 76 of Law No. 10.833, of 2003.

3rd Paragraph. Upon the application of the warning sanction, the beneficiary shall have a ten-day term, counted as from the date of the awareness to settle the pendent matters.

4th Paragraph. After the end of the term provided for in the 3rd paragraph, it shall be deemed recurrence of behavior.

5th Paragraph. During the validity term of the administrative suspension sanction of the qualification, there shall be refused all requests of grant of the regime, inclusively those pendant of decision, provided the regimes already granted are protected.

6th Paragraph. The suspension of the qualification does not waive the sanctioned company to perform the obligations provided for in this Normative Instruction, related to the goods admitted in the regime.

7th Paragraph. In case of cancellation of qualification, the beneficiary of the regime shall take one of the measures established for the extinction of the temporary admission regime pursuant to the terms of Section 25, within 30 (thirty) days, counted as from the date of publication of the cancellation act, under penalty of collection of the suspended duties, upon the enforcement of the executed TR.

8th Paragraph. The application of the cancellation sanction shall be rendered official by an Executive Declaratory Action (ADE) of the Superintendent of the Brazilian Federal Revenue responsible Brazil for the qualification.

9th Paragraph. In case of cancellation of the qualification, the new qualification may only be requested after the elapse of 2 (two) years counted as from the publication of the ADE to which section 8 refers.

10th Paragraph. The application of the sanctions of suspension or cancellation of the qualification shall be informed to Coana, for the adoption of the proper procedures.

Chapter VI Final and Temporary Provisions

Section 35. There shall be allowed, within 30 (thirty) days, the filing of a willful appeal, in the last instance, to the hierarchically superior instance that issued the decision, in case of a grounded refusal of an application for grant of the temporary admission regime, pursuant to the terms of this Normative Instruction, or of an extension of the validity term.

Section 36. The temporary admission regime granted during the validity of the Normative Instruction SRF No. 136, of October 27, 1987, is ruled by the rules applicable on the date of its grant, until the final term established.

Sole Paragraph. After the end of the term provided for pursuant to the terms of the introduction, there shall be complied as provided for in Section 17, inclusively in the events of the extension of the contracted term, new contracting or change of the beneficiary of the regime, upon the waive of the exit of the goods from the customs territory.

Section 37. The legal person qualified to Repetro may, at its own discretion, decide for the use of the temporary admission regime ruled by Normative Instruction SRF No. 285, of 2003, being subject, in that event, to the rules provided for in that normative act.

Section 38. This Normative Instruction shall be effective as from the date of its publication.

Section 39. The Normative Instructions SRF No. 4, of January 10, 2001, and No. 336, of June 27, 2003, and the Normative Instruction RFB No. 561, of August 19, 2005.

JORGE ANTONIO DEHER RACHID

SOLE ANNEX GOODS THAT MAY BE SUBMITTED TO REPETRO

Vessels directed to the research and production activities of oil or natural gas reservoirs and those directed to support and storage in the said activities.
Machines, devices, instruments, tools and equipment directed to the research and production activities of the oil or natural gas reservoirs.
Oil or natural gas production and drilling platforms, as well as those directed to support the said activities.
Car vehicles assembled with machines, devices, instruments, tools and equipment directed to the research and production activities of the oil or natural gas reservoirs.
Structures especially conceived to support platforms.

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