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



PRESIDENCY OF THE REPUBLIC

CIVIL AFFAIRS MINISTRY

OFFICE OF THE DEPUTY HEAD FOR LEGAL MATTERS

DECREE NO. 6,234, OF OCTOBER 11, 2007

Establishes criteria for enjoyment of incentives resulting from the Digital TV Equipment Industry Technological Development Support Program – PADTV, reducing to zero the rate of PIS/PASEP and COFINS contributions and IPI tax, established by Articles 12 to 22 of Law no. 11,484, of May 31, 2007.

THE PRESIDENT OF THE REPUBLIC, using the powers vested in him under Article 84(IV) of the Federal Constitution, and in view of Articles 12 to 22 of Law no. 11,484, of May 31, 2007,

DECREES:

CHAPTER I

DIGITAL TV EQUIPMENT INDUSTRY TECHNOLOGICAL DEVELOPMENT
SUPPORT PROGRAM – PADTV

Article 1. The Digital Equipment Industry Technological Development Support Program – PADTV shall be applied under the form established in this Decree.

Article 2. PADTV reduces to zero the rates:

- I - of Contribution to PIS/PASEP and Contribution to the Social Security Funding – COFINS, charged on the gross revenue resulting from the sale, in the domestic market, to a legal entity qualified in PADTV, of the following products:
 - (a) machinery, apparatus, instruments and equipment, new, intended to be incorporated to fixed assets of the purchaser, turned to activities mentioned by Article 6 hereof; and
 - (b) computational tools (software) and inputs for activities mentioned by Article 6 hereof;
- II - of Contribution to PIS/PASEP – Import and COFINS – Import charged on imports, performed by a legal entity qualified in PADTV, of the following products:
 - (a) machinery, apparatus, instruments and equipment, new, intended to be incorporated to fixed assets of the purchaser, turned to activities mentioned by Article 6 hereof; and
 - (b) software and inputs for activities mentioned by Article 6

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hereof;

- III - of the Excise Tax – IPI, charged on imports performed by a legal entity qualified in PADTV, or on the exit from the industrial or similar establishment, based on purchases made in the domestic market by a legal entity qualified in PADTV, of the following products:
 - (a) machinery, apparatus, instruments and equipment, new, intended to be incorporated to fixed assets of the purchaser, turned to activities mentioned by Article 6 hereof; and
 - (b) software and inputs for activities mentioned by Article 6 hereof.

Paragraph 1. For the purposes of this Article 2, a legal entity purchaser of foreign goods, in case of import performed on the legal entity's own account through a legal entity that is an importer, is equivalent to an importer.

Article 3. The rate of the contribution to intervention in the economic domain – CIDE targeted to finance the University – Enterprise Interaction Incentive Program, mentioned by [Article 2 of Law no. 10,168, of December 29, 2000](#), is reduced to zero (0) in remittances abroad for the payment of agreements related to exploitation of patents or use of trademarks and supply of technology and technical assistance, when carried out by a legal entity beneficiary of PADTV and linked to activities mentioned by Article 6 hereof.

Article 4. In sales of transmitting equipment mentioned on Article 6 hereof,, conducted by legal entity beneficiary of PADTV, the following rates are reduced:

- I - to zero, the rates of the PIS/PASEP and COFINS contributions

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charged on revenues earned;

- II - to zero, the rates of IPI tax charged upon exit of the industrial facility.

Paragraph 1. Reductions in rates mentioned in this Article 4 do not apply cumulatively with other reductions or benefits related to the same tax or the same contributions.

CHAPTER II

QUALIFYING FOR PADTV

Section I

Mandatory Character of Qualification

Article 5. Only legal entities previously qualified by the Brazilian Federal Revenue Secretariat – RFB may benefit from PADTV.

Section II

Legal Entities Eligible to Apply for Qualification

Article 6. The qualification mentioned by Article 5 hereof may be applied for by a legal entity that conducts investments in research and development -R&D under Article 8 hereof, and that performs activities of development and manufacture of digital television radiofrequency signal transmitting equipment classified in the Common Mercosul Nomenclature – NCM heading 8525.50.2, listed in Annex I hereof.

Paragraph 1. For the purposes of this Article 6, the legal entity shall comply with the Basic Productive Process – PPB established in a joint Directive issued by the Minister of State of Development, Industry and Foreign Trade and Minister of Science and Technology or, alternatively, comply with the criteria of goods developed within Brazil as defined in a Directive of the Minister of State of

Science and Technology.

Paragraph 2. The investment in research and development and the performance of activities mentioned in this Article 6 shall be made according to projects approved under Article 7 hereof.

Section III

Approval of Projects

Article 7. Projects mentioned in Paragraph 2 of Article 6 hereof shall be approved in a joint Directive of the Minister of State of Finance, Minister of State of Science and Technology and Minister of State of Development, Industry and Foreign Trade.

Paragraph 1. Approval of the project mentioned in this Article 7 depends on:

- I - evidence of fiscal regularity of the interested legal entity, regarding taxes and contributions managed by the Brazilian Federal Revenue Secretariat;
- II- compliance with instructions established in a joint Directive of the Minister of State of Science and Technology and Minister of State of Development, Industry and Foreign Trade; and
- III - previous verification, by the Brazilian Federal Revenue Secretariat, under terms and conditions to be established in an appropriate act, of compliance of the assets submitted by the qualified legal entity with the Annexes of this Decree.

Paragraph 2. Procedures and terms for assessment of projects shall be established by joint Directive of the Minister of State of Finance, Minister of State of Science and Technology and Minister of State of Development, Industry and Foreign Trade.

Paragraph 3. The joint Directive mentioned by this Article 7 shall establish input-output or input-production ability criteria in a way to harmonize the purchases of goods mentioned in the Annex to this Decree to the using capacity of the legal entity qualified on the activities of development and manufacture of digital television radiofrequency signal transmitting equipment, classified in NCM heading 8525.50.2, listed in Annex 1 hereof.

Section IV

Investment in Research and Development

Article 8. A legal entity beneficiary of PADTV, mentioned in Article 6 hereof, shall invest, on an yearly basis, in research and development activities conducted within Brazil, not less than two and a half percent (2.5%) of its gross revenues earned in the domestic market, net of taxes charged on the marketing of transmitting equipment mentioned in Article 6 hereof.

Paragraph 1. Eligible investments are only those made in activities of research and development of equipment mentioned in Article 6 hereof, software and inputs for such equipment.

Paragraph 2. Not less than one percent (1%) of the gross revenue, net of taxes charged on the marketing, as mentioned by this Article 8, shall be invested through agreements with Brazilian research centers or institutions, or with official or recognized educational institutions, accredited by the Information Technology Area Committee – CATI, mentioned by [Article 30 of Decree no. 5,906, of September 26, 2006](#), or by the Amazon Research and Development Activities Committee – CAPDA, mentioned by [Article 26 of Decree no. 6,008, of December 29, 2006](#).

Paragraph 3. An intellectual property resulting from research and development conducted through projects in the context of PADTV shall have its protection as

applied, in the Brazilian territory, to the appropriate agency, as the case may be, by the Brazilian legal entity beneficiary of PADTV.

Article 9. A legal entity beneficiary of PADTV shall forward to the Ministry of Science and Technology, not later than July 31 each year, reports showing compliance, in the previous calendar year, with the obligations and conditions laid down by Article 8 hereof.

Article 10. In case investments in research and development envisaged in Article 8 hereof fail to reach, in a certain calendar year, the lowest percentage established, the legal entity beneficiary of PADTV shall invest the residual amount in the Science and Technology Development National Fund – FNDCT (CT-Info or CT-Amazon), plus a fine of twenty percent (20%) and interests at a rate equivalent to the rate of the Special Settlement and Custody System - SELIC, calculated from January 1st of the year subsequent to that in which the percentage failed to be reached to the date of effective investment.

Paragraph 1. A legal entity beneficiary of PADTV shall make the investment mentioned in this Article 10 above not later than the last day of March of the year subsequent to the one in which the percentage was not met.

Paragraph 2. In the case mentioned in this Article 10, failure to conduct the investment within the term determined in Paragraph 1 above subjects the taxpayer to pay interests and arrears, under applicable legislation, on contributions and taxes unpaid according to provisions of Article 4(I) and (II).

Paragraph 3. Interests and arrears mentioned by Paragraph 2 of this Article 10 shall be paid separately and shall be calculated:

- I - from the effective date of sale, in case of Article 4(I), or from the date in which the product exits the industrial facility, in case of Article 4(II); and

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- II - on the amount of unpaid contributions and taxes, proportionately to the difference between the lowest percentage of investment in research and development established and the investment effectively made.

Paragraph 4. Payments made under Paragraphs 2 and 3 do not preclude a legal entity beneficiary of PADTV from the duty of make investments in FNDCT (CT-Info or CT-Amazon), as envisaged by this Article 10, in addition to arrears and interests mentioned thereby.

Paragraph 5. Lack or irregularity in payments mentioned by Paragraph 2 above, subjects the legal entity to be charged *ex-officio* with application of *ex-officio* fine under applicable legislation.

Paragraph 6. Lack of compliance with the provisions of this Article 10 subjects the legal entity to the provisions of Article 11 hereof.

CHAPTER III

SUSPENSION AND CANCELLATION OF PADTV QUALIFICATION

Article 11. A legal entity beneficiary of PADTV may be punished, at any time, with suspension of the benefits envisaged by Articles 2 to 4 hereof, without prejudice of specific penalties, in case the legal entity:

- I - fails to comply with the conditions established in Paragraph 1 of Article 6 hereof;
- II - fails to submit the reports mentioned in Article 9 hereof or such reports are not approved;
- III - fails to make the investments in research and development prescribed by Article 8 hereof, under the provisions or Article 10 hereof;

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- IV - fails to comply with its obligations mentioned in Paragraph 3 of Article 8 hereof;
- V - incurs in irregularity in the payment or any tax or contribution managed by the Brazilian Secretariat of Federal Revenue; and
- VI - uses the goods listed in the Annexes to this Decree in activities other than those described in Article 6 above, according to input-output or input-production capacity criteria mentioned in Paragraph 3 of Article 7 hereof.

Paragraph 1. The suspension mentioned in this Article 6 shall be changed into cancellation of application of benefits envisaged by Articles 2 to 4 hereof in case the legal entity beneficiary of PADTV fails to remedy the default within ninety (90) days from the date the suspension is notified.

Paragraph 2. A legal entity that gives cause to two (2) suspensions within a period of up to two (2) calendar years shall be penalized with cancellation of the benefits envisaged by Articles 2 to 4 hereof.

Paragraph 3. The penalty of cancellation of benefits may be reverted not earlier than two (2) calendar years from the date in which the violation causing the cancellation is remedied.

Article 12. The suspension of cancellation, as the case may be, shall be formalized in an act by the Brazilian Secretariat of Federal Revenue.

CHAPTER IV

APPLICATION OF PADTV

Article 13. The benefit of reduced rates mentioned by Article 2 hereof applies only to the following imports and/or purchases in the domestic market:

- I - machinery, apparatus, instruments and equipment, new, listed in

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Annex II to this Decree;

II - inputs listed in Annex III to this Decree; and

III - software listed in Annex IV to this Decree.

Article 14. In case of purchase of goods in the domestic market under the benefits of PADTV, the legal entity who sells shall include in the bill of sale the expression "Sale to legal entity qualified with PADTV, made with reduction to zero of the rate of Contribution to PIS/PASEP, COFINS and IPI", specifying the corresponding legal permission, as well as the number of the act granting such qualification to the purchaser.

CHAPTER V

GENERAL PROVISIONS

Article 15. The Ministry of Science and Technology shall notify the Brazilian Federal Secretariat of Federal Revenue any case of:

- I - lack of compliance, by the legal entity beneficiary of PADTV, with:
 - (a) the conditions established in Paragraph 1 of Article 6 hereof; and
 - (b) the obligation to forward the compliance reports within the term mentioned in Article 9 hereof, or with the obligation to invest in FNDCT (CT-Info or CT-Amazon), according to Article 10 hereof, under the term established by Paragraph 1 of such Article 10, when the minimum percentage of investment in research and development had not been reached.
- II - lack of approval of the compliance reports mentioned by Article 9; and

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III - violation of a provision of this Decree.

Paragraph 1. Cases foreseen in this Article 15(I)(b) shall be notified not later than August 20 each calendar year, and the remaining cases within thirty days from the event.

Article 16. The Ministry of Science and Technology, and the Ministry of Development, Industry and Foreign Trade shall publish, each three calendar years, reports on the economic and technological results brought by the application of the provisions of this Decree.

Paragraph 1. The Ministry of Finance, the Ministry of Science and Technology and the Ministry of Development, Industry and Foreign Trade shall publish, each calendar year, the modalities and amounts of incentives granted and investments made in Research and Development, by banking institution and project, in a form to be defined in a joint Directive of the respective Ministers of State.

Article 17. Without prejudice of the provisions of Article 9 hereof, the Brazilian Secretariat of Federal Revenue shall establish, in an appropriate act, the need to submit, within a definite term, the periodic statements showing the input-output relations of goods benefitted by PADTV, for the purpose of monitoring and control.

CHAPTER VI

FINAL PROVISIONS

Article 22. The provisions of this Decree do not exclude the competence of consenting agents in what regard the freeing and control of goods listed in the Annexes hereof.

Article 19. The provisions of Article 2 and Article 4 hereof shall be effective up to January 22, 2017.

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Article 20. The Brazilian Secretariat of Federal Revenue shall control, in its jurisdiction, application of the provisions of this Decree, including the qualifying procedures.

Article 26. This Decree shall be effective upon publication.

Brasília, October 11, 2007, 186th of the Independence and 119th of the Republic.

LUIZ INÁCIO LULA DA SILVA

Guido Mantega

Miguel Jorge

Sérgio Machado de Rezende.

This text is not a substitute for the one published in the Federal Official Gazette of 10.15.2007.

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ANNEX I

Final Products

Description	NCM
Television transmission (emitting) apparatus, whether or not incorporating reception apparatus, sound recorder or reproducing apparatus.	8525.50.2

ANNEX II

Machinery, apparatus, instruments and equipment to be incorporated to fixed assets, designed to the manufacture of final products

Description	NCM
OFDM signal modulator with MPEG-TS syntax for land digital television systems	8517
Audio, video and data signal multiplexer for land digital television systems with ASI input and TS output ("transport system")	8517
MPDG data flow signaling, control or splicer equipment,	8525
Audio, MPEG-2 and/or MPEG-4 (H.264 Protocol) high-definition video signal coder for land digital television signal transmission system	8529
SDI and HD-SDI standards video reference and test signal generators, with capacity to generate different test signals, as color bars and zoneplate	8543
Digital video, audio and data signal monitoring and analysis of digital television transmission protocol equipment, MPEG-2 and/or MPEG-4 (H.264 protocol) compression.	9030

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ANNEX III

Inputs for the manufacture of final products

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Description	NCM
Products used as glue or adhesive, packed for retail sale, net weight not exceeding 1 kilogram	3506.10.90
Other plates, sheets, film, foil and strip, of plastics	3921.19.00
Disks and washers of vulcanized rubber	4006.90.00
Artifacts in ceramics, used in the industry of electronic products	6914.90.00
Refined copper rods	7407.10.10
Copper-Zinc alloy (brass) rods	7407.21.10
Refined copper plates and strips, in excess of 0.15 mm thick	7409.1
Refined copper-zinc alloy plates and strips, in excess of 0.15 mm thick	7409.2
Plates for printed circuit	7410.21.90
Refined copper tubes, not flapped nor slotted	7411.10.10
Copper-zinc alloy tubes, not flapped nor slotted	7411.21.10
Copper-zinc alloy tubes	7411.21.90
Accessories for copper alloy tubes	7412.20.00
Rods and shapes of non-alloy aluminum	7604.10
Rods and shapes of aluminum alloys	7604.2
Tubes of aluminum alloys	7608.20
Aluminum elements for construction, including parts thereof	7610.90.00
Aluminum cables, not insulated	7614.90.10
Metal screens, grids and nets, of aluminum thread	7616.91.00
Cast aluminum boxes	7616.99.00
Tin rods, shapes and threads	8003.00.00
Ball bearings	8482.10.90
Plain bearings	8483.30.20
Led electric storage batteries	8507.10.00
Electric batteries	8507.20.90

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Description	NCM
Parts of electric batteries (plastic containers, lids and covers)	8507.90.20
Parts recognizable as designed exclusively or mainly to apparatus of heading 8525.50.2	8529.90.1
Cabinet rack RTV 10kW Mod. C/A Double Driver	8529.90.11
Hybrid diplexer	8529.90.12
VHF 250 W diplexer	8529.90.12
Ventilation drawer 5/10 kW UHF and VHF	8529.90.19
Directional coupler	8529.90.19
Surface Acoustic Wave Filter (SAW)	8529.90.19
Fixed, variable and adjustable electric condensers, except power condensers designed for power lines of 50/60 Hz and able to absorb reactive power not lower than 0.5 kVar	8532
Resistors (including rheostats and potentiometers) except heating resistors	8533
Printed circuits	8534.00.00
Switch for tension lower than 72.5 kW	8535.21.00
Contactors	8535.29.00
Power valves for transmitters	8540.89.10
Diodes, transistors and similar semiconductor devices; semiconductor photosensitive devices, including photovoltaic cells; light emitting diodes; and mounted piezoelectric crystals	8541
Electronic integrated circuits	8542
Coaxial cables	8544.20.00
Electrical conductors, for tensions not exceeding 1000V, fitted with connection parts	8544.42.00
Electrical conductors, for tensions not exceeding 1000V	8544.60.00
Thermo-retractile insulator, in the form of tube	8547.20.90

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Description	NCM
Electric parts of machinery and equipment not specified in any other heading of NCM Chapter 85	8548.90.00
Computer programs to be used exclusively and specifically in designing, developing, programming, configuring, simulating, calibrating and adjusting, designed to real-time analysis, tests and manufacture of radiofrequency signal transmitting equipment for digital television	---

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In Witness Whereof, I have hereunto set my hand and seal in this City of Brasília, Federal District, Brazil, this Monday, November 03, 2008.

Fees according to

Official Gazette of 11/10/2003

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Marco Antônio Rochadel

Public Translator