



INFRASTRUCTURE DEBÊNTURES

Bill 2646 | LAW 14801 – approved on January 09, 2024

Market Representation - February 2024

INFRASTRUCTURE DEBÊNTURES

LAW 14801 – approved on January 09, 2024

ANBIMA actively worked to maintain the tax benefit.

LAW 14801 brought significant changes to the legislation on the tax aspects of infrastructure Debêntures (corporate bonds).

In this document, we present a comparison between Laws 14801 and 12431 and statistics on Debentures.

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STATISTICS ON TRADITIONAL DEBÊNTURES AND TAX-EXEMPT DEBÊNTURES

ISSUERS	LAW 14801	<i>Specific purpose entities, concessionaires, permissionaires, authorizers or lessees incorporated as a joint stock company or by their direct or indirect parent companies, also incorporated as a joint stock company.</i>
	LAW 12431	
ALLOCATION OF RESOURCES	LAW 14801	<i>The funds raised by the Issuers must be allocated to the implementation of investment projects in the area of infrastructure or intensive economic production in research, development and innovation, considered as priorities in regulations to be issued biennially by the Federal Executive Branch;</i>
	LAW 12431	
REGULATION	LAW 14801	<i>It will establish criteria for exemption from prior ministerial approval for listed priority industries</i>
	LAW 12431	
REMUNERATION	LAW 14801	<i>Possibility of exchange rate change clause, depending on authorization from the Executive Branch.</i> <i>I) Fixed interest rate, linked to a price index or the Benchmark Rate II) weighted average term exceeding 4 years; III) prohibition on the repurchase of Corporate Bonds by the Issuer or a party related to it in the first two (2) years after their issuance and on early settlement through redemption or prepayment IV) Term for periodic payment of yields, if applicable, with intervals of at least 180 days.</i>
	LAW 12431	
ACQUISITION PROHIBITION	LAW 14801	<i>They cannot be acquired by persons linked to the Issuer, including residents or people domiciled abroad.</i> <i>Exception: the Executive Branch may authorize the acquisition of infrastructure corporate bonds by a related legal entity, if it is connected to the issue and placement of related securities abroad.</i>
	LAW 12431	

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STATISTICS ON TRADITIONAL DEBÊNTURES AND TAX-EXEMPT DEBÊNTURES

WITHHOLDING TAX	LAW 14801	<i>Granting income tax benefits to foreign investors in bond issues aimed at infrastructure financing (amendment to Law 9481);</i>
	LAW 12431	
REFUND	LAW 14801	<i>Deadline for demonstrating costs, expenses or debts subject to reimbursement occurs in a staggered manner (from 24 to 60 months).</i>
	LAW 12431	
INFRASTRUCTURE FUNDS	LAW 14801	Funds set up for the purpose of investing in tax-exempt corporate bonds cannot be lower than 85% of the fund's reference value. Minimum percentage of 67% of the fund's reference value within 2 years, as of the first payment of shares. Reference value: the assets under management and the average of assets under management of the fund in the 180 days prior to the calculation date, whichever is lower
	LAW 12431	
TAX-EXEMPT CORPORATE BONDS – ENVIRONMENTAL OR SOCIAL BENEFITS: ISSUERS	LAW 14801	<i>They will follow a simplified processing procedure, including priority analysis.</i>
	LAW 12431	

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COMPARISON BETWEEN LAWS 14801 AND 12431



		LAW 14801 INFRASTRUCTURE DEBÊNTURES	LAW 12431 TAX-EXEMPT DEBÊNTURES
INVESTOR	RESIDENT INDIVIDUAL	Withholding income tax regressive table from 22.5% to 15%	Exempt
	NON-RESIDENT INVESTOR	15%	0%
	RESIDENT OR DOMICILED IN A TAX HEAVEN AND BENEFICIARY IN A PRIVILEGED TAX REGIME	25%	25% Related person: 30%
	FINANCIAL INSTITUTIONS	Yields added to taxable income	15%
	FIP-PD&I; FI-IE, FIC-FIP, FIEE, FIDC and FIS FROM TAX-EXEMPT CORPORATE BONDS	10% on the redemption, amortization or sale of shares or distribution of income;	Exempt
ISSUER		<p>1 - Deduction benefit for net income purposes, the amount corresponding to the sum of interest paid or incurred, for calculating corporate income tax (IRPJ) and social contribution on net income (CSLL)</p> <p>2 - Exclude, when calculating the taxable income and the CSLL calculation basis, the value of 30% of the added interest related to the Corporate bonds paid in the year.</p> <p>Note: Benefits are subject to the rules of the Budgetary Guidelines Act (LDO)</p>	-

INFRASTRUCTURE DEBÊNTURES

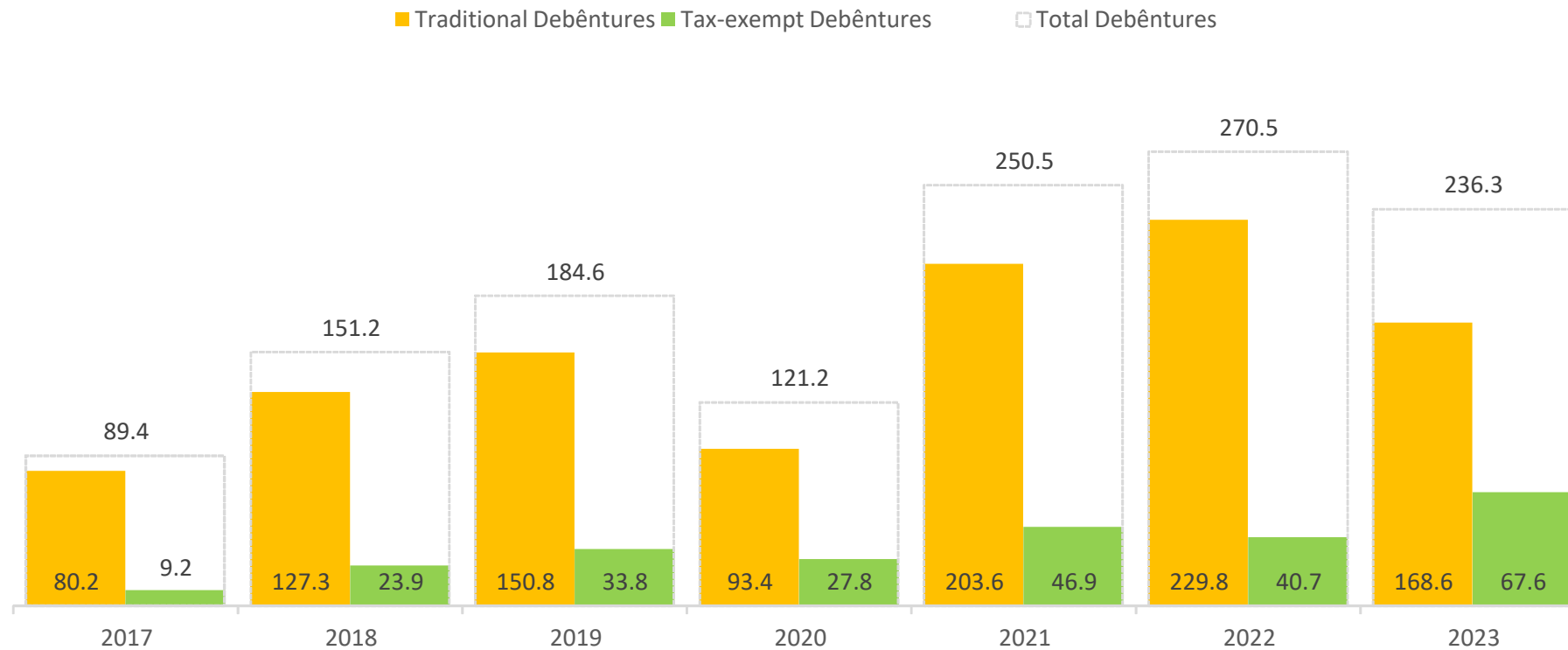
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STATISTICS ON TRADITIONAL DEBÊNTURES AND TAX-EXEMPT DEBÊNTURES

DEBÊNTURES ISSUES IN THE PRIMARY MARKET SINCE 2017 (IN BILLIONS OF REAIS)

Despite the recovery that started in June, the accrued result for 2023 was below that of 2022 in the fixed income corporate bond market



INFRASTRUCTURE DEBÊNTURES

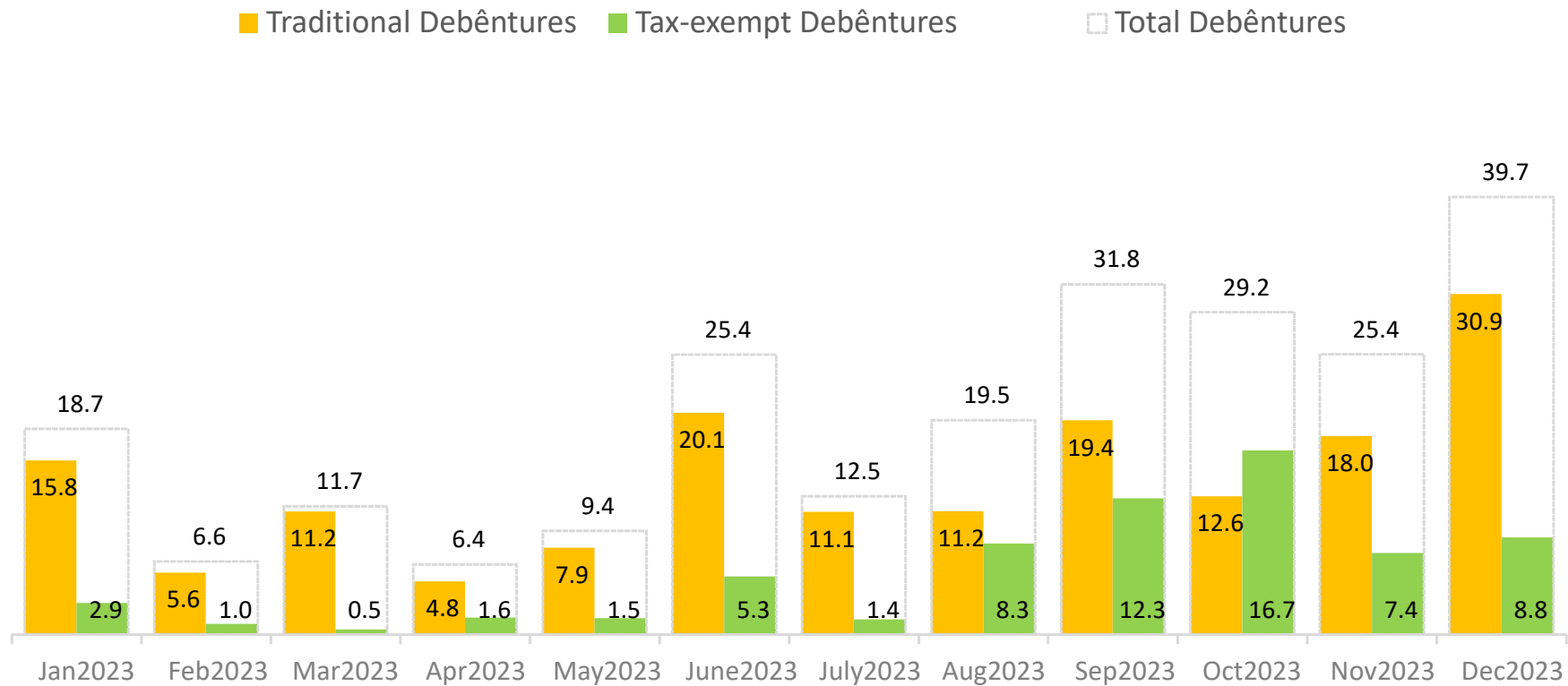
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STATISTICS ON TRADITIONAL DEBÊNTURES AND TAX-EXEMPT DEBÊNTURES

DEBÊNTRES ISSUES IN THE PRIMARY MARKET IN 2023 (IN BILLIONS OF REAIS)

Throughout the year, there was a recovery, particularly in December



INFRASTRUCTURE DEBÊNTURES

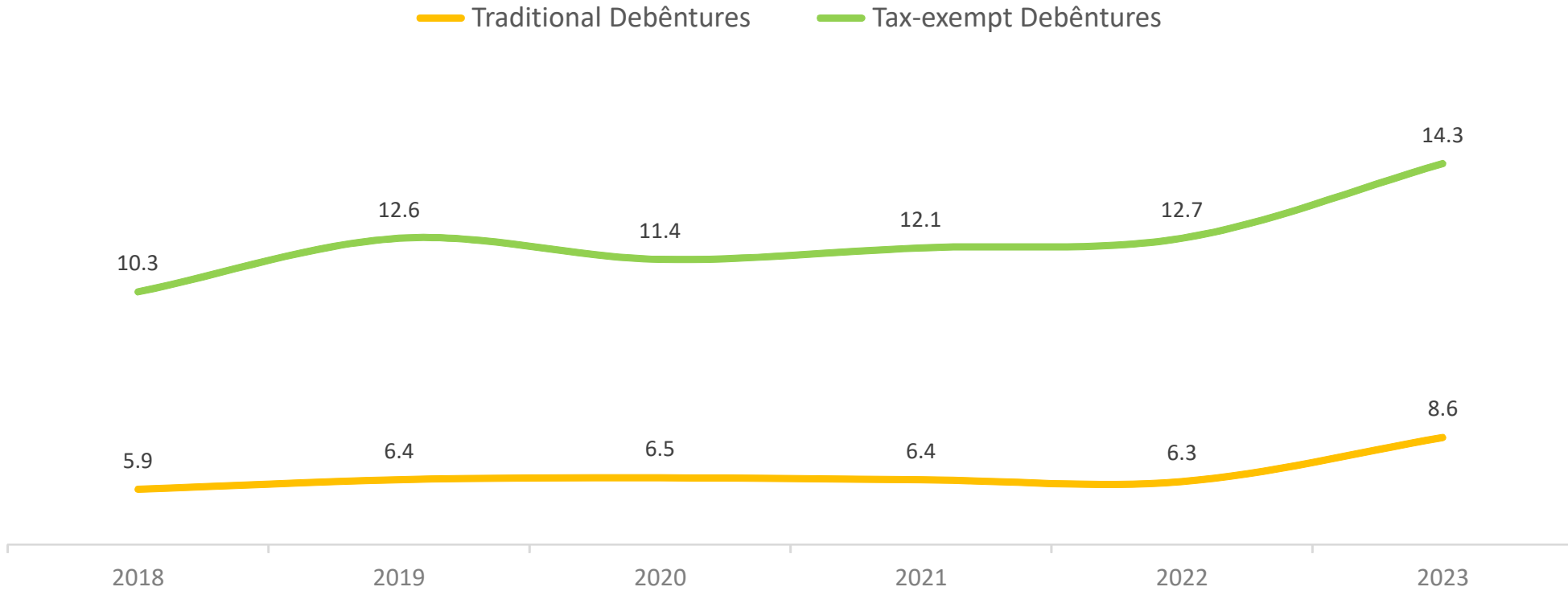
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STATISTICS ON TRADITIONAL DEBÊNTURES AND TAX-EXEMPT DEBÊNTURES

AVERAGE TERM OF DEBÊNTURES IN YEARS

The average term of Tax-exempt Debêntures is almost twice that of Traditional Debêntures



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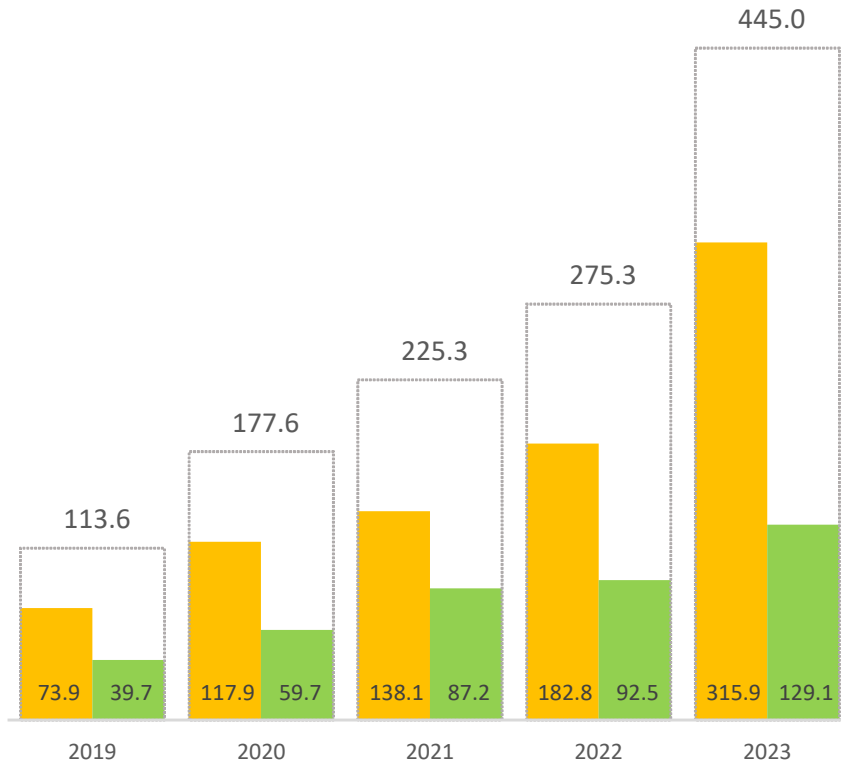


STATISTICS ON TRADITIONAL DEBÊNTURES AND TAX-EXEMPT DEBÊNTURES

TAX-EXEMPT DEBÊNTURES DIVERSIFIED LIQUIDITY

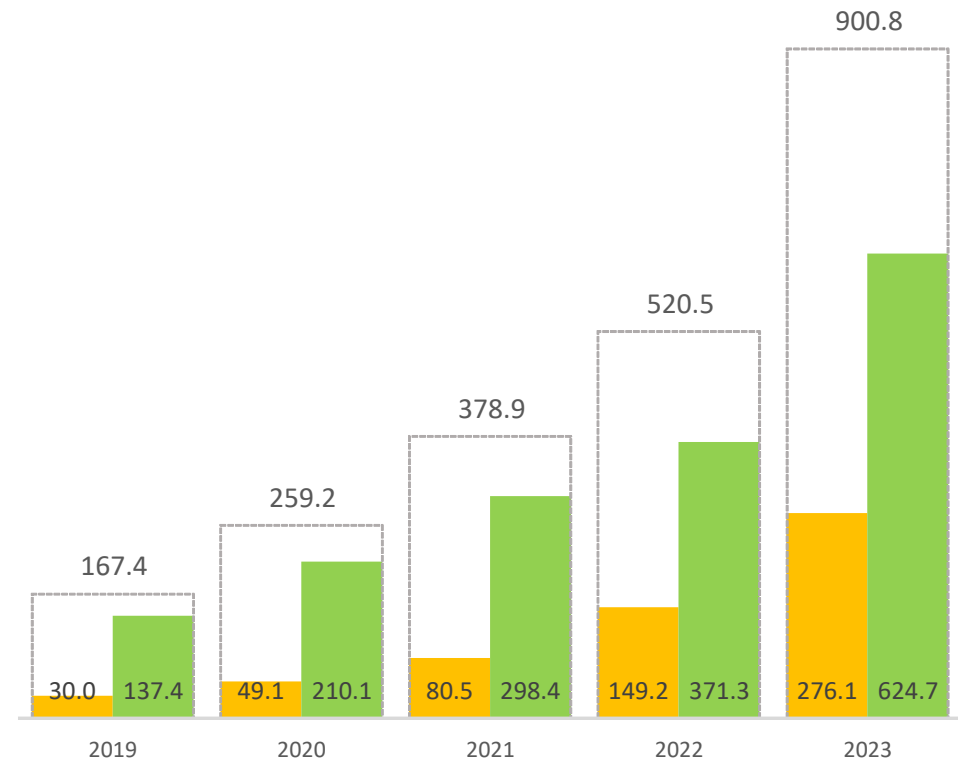
Trading volume of registered operations
In billions of reais

■ Traditional Debêntures ■ Tax-exempt Debêntures □ Total Debêntures



Number of registered operations
In thousands of operations

■ Traditional Debêntures ■ Tax-exempt Debêntures □ Total Debêntures



INFRASTRUCTURE DEBÊNTURES

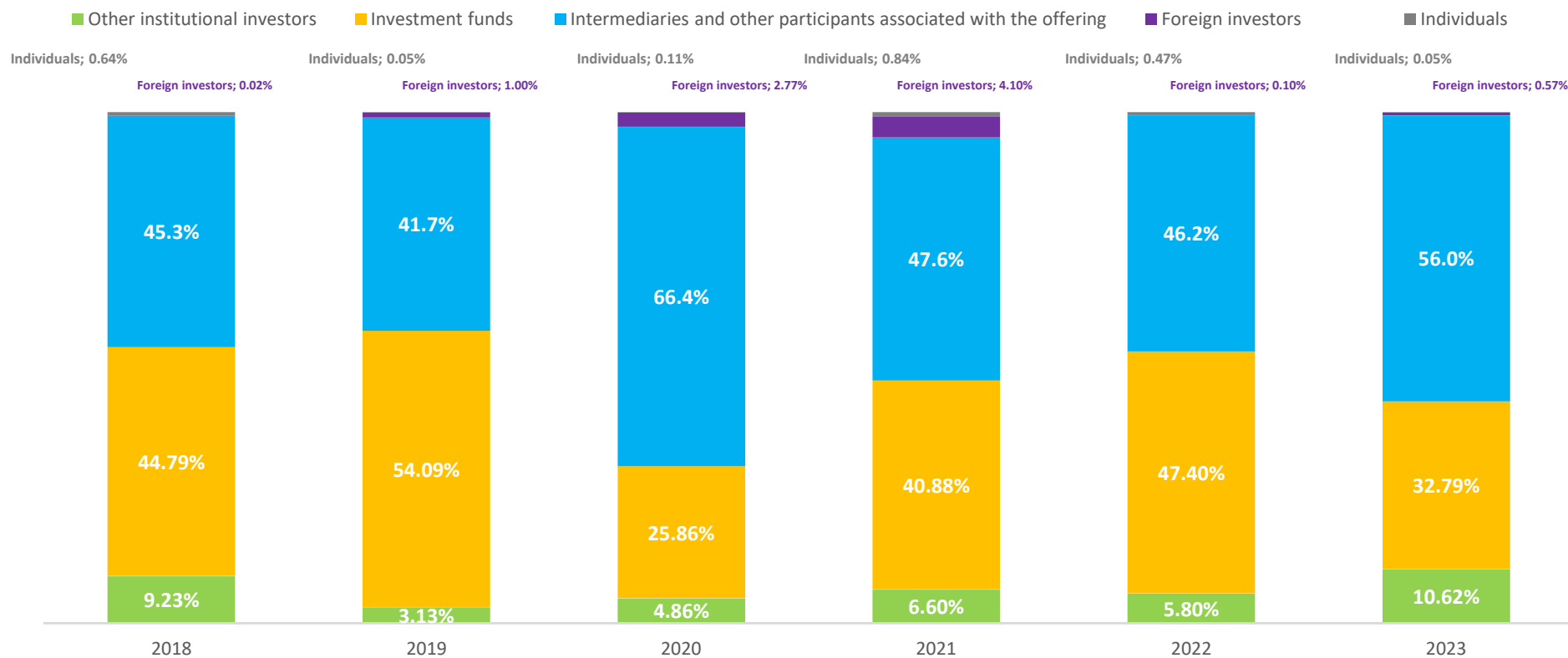
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STATISTICS ON TRADITIONAL DEBÊNTURES AND TAX-EXEMPT DEBÊNTURES

SUBSCRIBING TRADITIONAL DEBÊNTURES

Intermediaries and other participants linked to the offer were the largest holders in the primary distribution of traditional Debêntures in 2023



INFRASTRUCTURE DEBÊNTURES

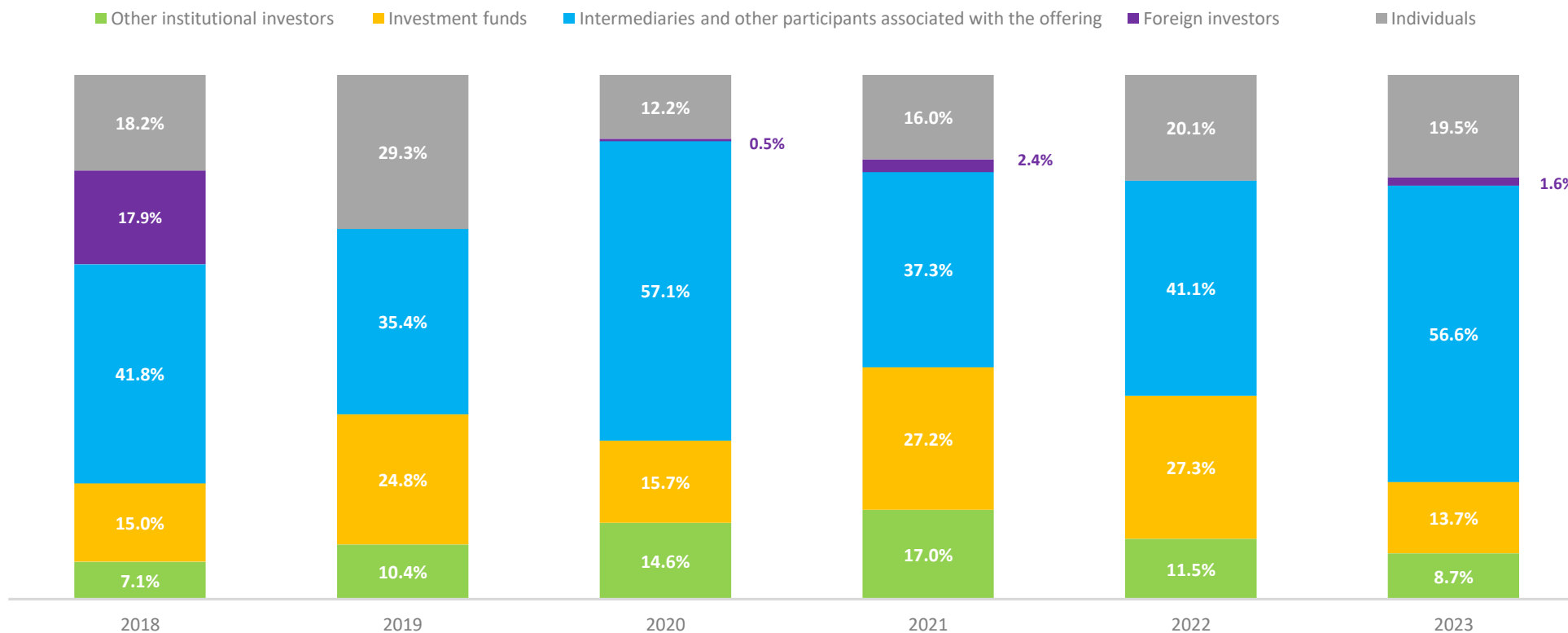
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STATISTICS ON TRADITIONAL DEBÊNTURES AND TAX-EXEMPT DEBÊNTURES

SUBSCRIBING TAX-EXEMPT DEBÊNTURES

Intermediaries and other participants associated with the offering increased their participation in the primary distribution of tax-exempt Debêntures.





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