

### **Convention ICMS 4, February 3, 1997**

Provides for the granting of tax credit in leasing operations and approval of an exemption in the sale of the property leased to the tenant.

The Minister of Finance and the Secretaries of Treasury, Finance and Taxation of State and Federal District, at the 33rd special meeting on the National Council of Farm Policy, held in Brasilia, Brazil, on February 3, 1997, in order the provisions of the Supplementary Law No. 24 of January 7, 1975, resolve to conclude the following

#### CONVENANT

First Clause In commercial leasing operation are the states and Federal District authorized to grant the tenant's property and credit of the tax paid upon the acquisition of that property by the lessor.

§ 1º For the enjoyment of this benefit the lessor must have registration in the ICMS Taxpayers Unit federated location of the tenant, by which promote the acquisition of the asset.

§ 2º The appropriation of credit will be under the laws of the federal unit to locate the tenant.

§ 3º In the invoice to purchase the asset by the lessor, should include identification of the establishment tenant.

Second Clause Tax credits should be fully reversed, monetarily updated, through tax debt on the books themselves, the same calculation period in which, for whatever reason, the tenant makes restitution of the property.

Third Clause The establishment which are credited the ICMS as provided in this Agreement is subject also to the fulfillment of the standards established by federal law of its home, especially those provided for in art. 21, §§ 4º to 7º, Complementary Law 87/96.

Forth Clause Are the states and Federal District authorized to grant exemption from ICMS in the sale of the property leased to the tenant, provided that the tenant is a taxpayer.

Fifth Clause This convention shall come into force upon publication of their national ratification.