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**Law 9,249, of December 26<sup>th</sup>, 1995 and Provisional Measure 2158-35, of August 25<sup>th</sup>, 2001 – fiscal benefit regarding entities qualified as OSCIP (Civil Society Organization of Public Interest) or declared as of Public Utility**

Article 13. For the assessment of actual profits and calculation basis for the social contribution on net profits the following deductions are prohibited, apart from the provisions of art. 47 of Law 4,506, of November 30th, 1964:

I – any provision, except for those constituted for paying employees holidays and tenth-third salary, referred to in art. 43 of Law 8,981, of January 20th, 1995, amended by Law 9,065, of June 20th, 1995, and the provisions of insurance and capitalization companies and from private pension funds whose constitution is required by the special legislation applicable to them; (see Law 9,430/96)

II – installments of leasing and rental of goods or property, except when intrinsically related to the production of goods and services;

III – expenditures on depreciation, amortization, maintenance, repair, taxes, insurances and any other regarding goods and property, except when intrinsically related to the production of goods and services;

IV – expenditures on food for partners, shareholders and managers;

V – non-compulsory contributions, except for those designed to fund insurance and health plans and fringe benefits alike those of the social security, instituted in favor of the employees and directors of the legal entity;

VI – donations, except those referred to in §2;

VII – expenditures with gifts.

§1 Expenditures on food provided by a legal entity to its employees without distinction will be accepted as deductible.

§2 the following donations may be deducted:

I – those referred to in Law 8,313, of December 23th, 1991;

II - those made to educational and research institutions whose creation has been authorized by federal law and that meets the requirements of sections I and II of art. 213 of the Federal Constitution, limited to one and a half percent of the operating income, before assessing its deduction and the one referred to in the following item;

III - the donations up to a limit of two per cent of the legal entity operating income, before assessing its deduction, made to civil non-profit entities legally incorporated in Brazil that provide free services to benefit the employees of the legal entity who is donating and their dependents, or to benefit the community where they operate, observing the following rules:

a) The donations, when in cash, will be directly credited on a bank account in the name of the beneficiary entity;

b) the legal entity donating will keep available for inspection a declaration granted by the beneficiary entity, according to the model approved by the Federal Revenue, in which it undertakes to fully apply the resources received in the fulfillment of its social goals, with the identification of the person liable for its accomplishment, and not distribute profits, bonuses or benefits to directors, maintainers or associated in any case or under any pretext;

b) the beneficiary civil entity should be recognized as of Public Utility upon a formal act from the Union competent body.

**Provisional Measure 2158-35, of August 25, 2001**

Article 59. The Civil Society Organizations of Public Interest - OSCIP qualified according to the standards established by Law 9,790, of March 23th, 1999, may also be beneficiaries of donations according to the conditions set forth by section III of §2 of art. 13 of Law 9,249/95.

§1 The provisions of this Article shall apply to donations made as of the calendar-year of 2001.

§2 To the entities referred to in this Article shall not apply the requirement established in Law 9,249, 1995, art. 13, §2, item III, paragraph "c".

Art. 60. The donations deductibility referred to in item III of §2 of art. 13 of Law 9,249/95 and art. 59 is subject to the annually renewal of the beneficiary entity condition of public utility or OSCIP by the Union's competent body through a formal act.

§1 The renewal referred to in the caput:

I - will only be given to the entity that proves to the Union's competent body to have accomplished the requirements and conditions in the calendar-year preceding the application;

II – will be effective in the calendar-year following its constitution.

§2 The acts of recognition issued until December 31th, 2000 will be effective regarding donations received until December 31th, 2001.

§3 The Union's competent bodies will issue, within their competences, the necessary acts regarding the renewal referred to in this article.