

Dear Readers:

The purpose of this **Tax Bulletin # Administrative Council of Tax Appeals** is to inform our clients and those interested in the main issues being discussed and decided in this court.

In this 121st edition of our report, we commented on a decision in which the Administrative Council of Tax Appeals (“CARF”) levied Withholding Income Tax (“IRRF”), as well as applied a qualified fine (150%), to a non-profit organization, due to unjustified payments made by the entity to other companies, as consideration for provision of services not proven to the Tax Authorities, based on a report from the Board for Control of Financial Activities (“COAF”). CARF also understood for the tax liability of the legal representatives of the entity, due to its alleged involvement in the contracts and due to its position of management of the entity at the time of the facts.

We also commented on a decision in which CARF analyzed the levy of Social Security Contributions on Profit Sharing payments to statutory directors.

**Schneider, Pugliese, Sztokfisz, Figueiredo e Carvalho Advogados** is available to its clients should they have any questions on the decisions commented in this newsletter.

Also, if requested, we are fully available to translate our Tax Bulletin to English.

