

# LETTER FROM THE EDITOR

Dear readers,

This edition marks the launching of a journal exclusively dedicated to the major topics of the International Tax Law and the International Trade taxation, focusing on a decisive contribution to bridge the unfortunate gap in the Brazilian publishing market, which historically lacks publications on the matter.

In fact, with notable exceptions, until the mid-1990s our tax scholars remained limited to domestic issues and not familiar with the evolution of the institutes, principles and rules of the international taxation in their legislative, doctrinal and court perspectives, which ended in the adoption of a passive position of Brazil in relation to the discussions within the OECD scope that almost always involved disputes between developed and developing countries over a larger share of the taxation of the international operations. With the waiver of being in the front of discussions, Brazil assumed a sad “wait and see approach” behavior, waiting for the big players (the main world economies) to set new rules or guidelines, and only then to analyze whether they fit the national interests.

Such indifference is unacceptable, either because of the unquestionable economic relevance of Brazil as one of the preferred destinations of foreign capital (direct and portfolio), or because it is the signatory of a reasonable number of double taxation agreements or because of a more recent phenomenon - the still incipient but consistent, a process of internationalization of Brazilian enterprises that in addition to the simple export of manufactured products, seeks the integration of domestic companies and products in the economies of other countries through the establishment of affiliates, subsidiaries, holdings etc. In some cases, unfortunately, the internationalization of the business activities was induced by the very high taxation in Brazil

The association of these factors – the expressive reception of foreign investments (inbound investments) and the increase in investments of Brazilian companies abroad (outbound investments) - began to demand qualified professionals, who are knowledgeable on domestic legislation and concepts, rules and principles of international taxation, able to assist domestic and foreign companies involved in transnational operations.

Therefore, new professional opportunities have come up and fostered an interest in International Tax Law in our universities, where a valuable theoretical material started to be produced, which has served as a subsidy for professionals in this segment, in a healthy cycle that feeds back itself. It is enough to see the expressive number of students and young lawyers who go to the best study centers in the world, particularly in countries like Germany, Austria, Holland, England, Italy and the United States to improve their knowledge, and after coming back, they follow-up their studies in the Brazilian universities or work professionally in well-respected law firms.

Another recent phenomenon evidencing the current importance of the International Tax Law in Brazil is the constant attendance of great names in the area, to courses, lectures and congresses promoted every year in our country. We are proud to refer to the Congress of International Tax Law held by the Brazilian Institute of Tax Law (IBDT), which always has the most renowned international experts in its panels.

All this academic and professional exchange enabled the formation of a critical mass with conditions to contribute to the definition of a more uniform and consistent policy in the negotiation of new double taxation agreements, in the renegotiation of the existing ones and of a greater pro-activity of Brazil in the major international discussions.

Timing could not be more appropriate. The OECD/G-20 proposals within the BEPS (Base Erosion and Profit Shifting) Project scope has been discussed worldwide, which carries with it an ambitious proposal to rethink the current international taxation standards and seek effective solutions for collection problems and compliance resulting from them. In a time of deep reforms in which developed and developing countries negotiate and reestablishes their tax policies in search of coordinated and multilateral action to tackle international base erosion, Brazil shall not adopt a timid but defensive behavior, in the light of its own political and economic reality, in the negotiation of international agreements.

Furthermore, Brazil has enhanced its efforts to obtain a trade surplus by granting incentives to export of Brazilian products without, however, restricting the entry of capital assets into the country, which are fundamental for our Industrial and technological development.

And we believe that it is here that the Revista de Direito Tributário Internacional Atual can make its great contribution as a vehicle that will allow students, teachers, lawyers and all professionals interested in the field to express their opinion on important and current issues that impact on our economy and in the companies, and to keep up-to-date on what is being discussed abroad, too.

This issue is also special not only for being the first one, but for being specially coordinated by two of the most renowned tax experts of the Brazilian scenario - João Dácio Rolim and João Francisco Bianco, which with great competence, selected the authors and the final revision of the articles that make up the present edition.

We sincerely hope that this new project will contribute to the academic and professional development of the International Tax Law in Brazil.

São Paulo, January 31<sup>st</sup>, 2017

**Roberto França Vasconcellos**

*Editor-in-Chief*