



**Global Employment  
Compass  
Brazil**

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This document provides brief answers and recommendations to readers for information purposes. The information contained in this document is general and may differ according to the circumstances. Thus, this document does not constitute legal advice. We decline in advance any responsibility should you decide to act upon any information contained in this document.





# 1. Summary of applicable rights for different categories of workers

See footnotes for clarification on Brazilian legislation<sup>1</sup> and the free negotiation of employment contract's clauses<sup>2</sup>.

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
<b>Employment laws and regulations</b>	YES	NO	NO
<b>Employees' compensation/ remuneration requirements</b>	YES	NO	NO
<b>Minimum wage requirements</b>	YES	NO	NO
<b>Mandatory provident fund/retirement benefit fund contributions</b>	YES	YES	NO
<b>Immigration requirements including the right to work in your country</b>	YES	YES	YES
<b>Personal Data (Privacy) laws and regulations</b>	YES	YES	YES
<b>Anti-discrimination laws and regulations</b>	YES	YES	YES

<sup>1</sup> Labor and employment relations in Brazil are mainly regulated by the Federal Constitution and the Brazilian Consolidation of Labor and Employment Laws (Consolidação das Leis do Trabalho – "CLT"). Furthermore, other specific legislation may apply to govern special agreements or rights, as in the case of internships (Law 11,788 of 2008), temporary work and outsourcing (Law 6,019 of 1974), and profit-sharing plans (Law 10,101 of 2001).

Also, specific matters can be provided by the Brazilian Social Security Law (Law 8,212 of 1991), and the Brazilian Government Severance Indemnity Fund Law (Law 8,036 of 1991) (Fundo de Garantia por Tempo de Serviço – "FGTS").

Labor and employment relations in Brazil are also governed by collective bargaining agreements ("CBA"), which provide for additional rights, benefits, and obligations that all employers and employees are subject to, whether unionized or otherwise. The employer's internal policies (e.g., code of conduct, reimbursement, use of company's property policies etc.) also regulate the employment relationship so long as they do not violate guarantees provided by the Federal Constitution and the applicable legislation.

As a rule, the Ministry of Labor is responsible for regulating standards related to occupational safety and health.

<sup>2</sup> The employee who (i) holds a higher education degree and (ii) receives a salary two (2) times higher than the maximum benefits of Social Security (currently employees who receive a salary higher than BRL 15,572.04 may negotiate more freely the terms and conditions of their employment contracts (e.g., possibility of inclusion of an Arbitration Clause).



## 2. Legal requirements/rights/ practices for different categories of workers

### a. Employees

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*The CLT defines 'employees' as individuals who render services on a personal and regular basis, subordinate to the employer and upon payment of a salary. Based on this definition, employment relationships are defined by four main elements:*

- 1. Individuality: The work is performed by a specific individual that cannot delegate his/her duties to a third party;*
- 2. Regularity: The work is conducted on a regular basis (i.e., the work is not sporadic and/or occasional);*
- 3. Compensation: The individual is financially compensated for the work; and*
- 4. Subordination: The individual is subject to a higher authority within the scope of his/her work, which usually entails following orders, policies, and procedures, having to report their actions etc., meaning that the individual does not have complete autonomy when conducting his/her duties.*

*If the characteristics above are present, individuals who render services will be deemed to be employees, irrespective of the model used by the parties involved (i.e., independent contractor).*

### 1 Contracts of Employment

**What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?**

Brazilian labor law provides for multiple types of employment contract, which are:





1. employment contract for an indefinite period;
2. fixed-term employment contract;
3. temporary employment contract;
4. part-time employment contract;
5. apprentice employment contract;
6. autonomous work;
7. intermittent employment contract;
8. internship contract; and
9. trial period contract.

For non-profit organizations, it's common to enter into a volunteer work contract.

#### **What are the key terms of employment contracts?**

1. position;
2. effectiveness;
3. workplace;
4. salary and benefits;
5. employees protection and working conditions;
6. employees obligations;
7. intellectual and employer property;
8. data protection; and
9. termination.

#### **Is it acceptable to have a probation period for employees? If yes, for how long?**

In Brazil, as per the sole paragraph of Article 445, the probation period is considered a definite-term employment contract and it is limited to the period of 90 (ninety) days and may be extended only once. After this period, contract for trial period automatically becomes an indefinite employment contract.

The contract for probation period must be registered in the employee's Employment Card, within the five days following the employee's admission. During the trial period, the employee is entitled to the same labor rights granted to regular employees.

#### **Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?**

Yes.





As per the sole paragraph of Article 445, the definite-term employment contract shall be limited to the period of 90 (ninety) days. It may last for less than 90 (ninety) days but throughout this period it may only be extended once (e.g., 45 days extended once). After this period, contract for trial period shall become an indefinite employment contract. The effectiveness shall be provided by the contract as per indemnification for who terminates this Employment Contract prior to the term provided.

**Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?**

No, it is possible to be only verbal, but it is recommended to be writing to avoid employees' inquiries or doubts about its terms. The employment contract may be signed in-person or electronically.

**Do employees have to be issued with a written employment contract before they start work?**

No, it's possible to agree on a verbal contract.

**Can you provide a simple template of the contracts mentioned above?**

Please refer to [Addendum 1 – Employment Contract Template](#).

**Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?**

The law only authorizes a background check for criminal records for hiring security guards and employees in companies specialized in ostensive surveillance and the transport of valuables, according to Articles 12 and 16 of Law No. 7,102/1983. In the cases authorized by law, the consent is not required.

The jurisprudence accepts for specific situations when the professional activity justifies, e.g., working with children or vulnerable people, and domestic workers.

**Can employers request references from former employers for new hires?**

Yes.

**Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?**

The employer is not required to set up any employee representative, but pursuant to the rules provided for in CLT, every employer and every employee in Brazil are represented by a labor union. Union rights of employees vary according to the CBA applicable to employers/employees, which is why it is not possible to detail general union rights of employees.





**Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?**

Yes. Pursuant to the rules provided for in CLT, every employer and every employee in Brazil are represented by a labor union. Union rights of employees vary according to the CBA applicable to employers/employees, which is why it is not possible to detail general union rights of employees.

## 2 Conditions of employment

**What is the minimum age requirement for employment?**

Item XXXIII, of Article 7, of the Brazilian Federal Constitution provides that the work of individual under 16 (sixteen) years old is prohibited, except in case they are working as an apprentice, type of employment contract only applicable to individuals over 14 (fourteen) years old. Article 403 of CLT contains the same provisions.

**What type of work may a child undertake? For example, are there any specific restrictions?**

Chapter IV of CLT provides the regulations and restrictions related to child labor. Article 404 determines that individuals under 18 (years) old shall not work on night shift, which is from 10 p.m. to 5 a.m.

Per Article 405, individuals under 18 (eighteen) years old shall not work on dangerous or unhealthy places or at places or positions that are harmful to morality. Labor law in Brazil stipulates that in case a Labor Authority verifies that the work executed by an underage employee is harmful to their health, physical development or morality, the authority may determine the end of the execution of the services. In this context, the legal responsible for the underage employee may also request the termination of the contract. The workday of an underage employee shall be compatible with their study time.

Different rules apply to child involved in artistic performances/activities (child artistic work).

### Wages

**What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?**

The minimum wage in Brazil is currently BRL 1,412.00. A higher minimum wage amount may be stipulated by CBA to the professional of the applicable category. There is no exception to the legal minimum wage for young persons or people with disabilities.

**Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?**

No. The employee shall pay the minimum wage, which is updated yearly. Specific pay raises may be stipulated by a CBA.





**When are wages due? For example, is there any obligation to pay wages weekly, or monthly?**

It may be paid weekly, fortnight or monthly. Monthly wages must be paid no later than the 5th working day of the month following the due date, unless a more favorable criteria is provided by CBA. When payment is stipulated by fortnight or week, it must be made by the 5th day after the due date.

**Are employers obliged to provide employees with paid leave on public holidays?**

As a general rule, work on civil and religious holidays is forbidden by law, as per Article 70 of CLT. In case the professional category is authorized to work on holidays, the employer shall pay two times the hours worked on that day or grant compensatory leave on a different day, as provided by Article 9, of Law No. 605, of 1949.

**Are employers obliged to provide employees with annual leave?**

Every twelve months of the employment contract, employees have the right to enjoy 30 days of vacation (paid leave). The vacation may be divided in three periods, if requested by the employee, given that one of them is not under fourteen days and the remaining ones last at least five consecutive days each.

**Are employees entitled to receive their usual salary during their annual leave?**

Employees in vacation must receive their salary plus one-third supplement over the employee's monthly compensation, classified as vacation bonus.

**Is there a requirement to pay overtime? How is overtime compensated?**

Article 59, §1, determines that the payment of overtime work shall be at least 50% higher than the payment for regular working hours. §2 of the referred Article stipulates the possibility of implementation of "Bank of Hours" by CBA, through which the exceeding hours of one day are compensated by an equivalent reduction on another day; §5 provides the possibility of implementation of "Bank of Hours" through individual written agreement. As per §6, the overtime compensation may be stipulated by individual agreement to compensate overtime work within the same month.

Please note that the CLT provides for exemption for the working hours control for employees who:

1. develop their activities externally,
2. occupy a position of trust, and/or
3. work on a telework regime and their activities could be measure by production or completed tasks.







**Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?**

No. Extraordinary circumstances as per allowed by the CLT may justify exceeding the overtime limit; however, the overtime pay still need to be compensated.

**Are employees entitled to an end-of-year payment?**

Yes, Christmas bonus paid with one-third supplement over the employee's monthly compensation.

**Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?**

Yes, the amounts due vary according to the type of termination:

1. Dismissal without cause.

Termination without cause is permitted, provided that the employee does not occupy a protected position. Employees are entitled to a minimum of 30 days' prior notice, which increases by three (3) additional days per year of service (after the first year of service), up to a maximum 60 additional days. At its discretion, the employer may opt to terminate employment immediately, in which case an indemnification must be paid in lieu of notice.

Within ten (10) days of their final day of work at the company, employees must receive:

- Outstanding salary payments (if any);
- Accrued and prorated vacation (including the 1/3 premium);
- Prorated 13th salary;
- Penalty equivalent to 40% of the FGTS contributions the employer made to the employee's FGTS account during the term of employment; and
- Social Security and FGTS contributions linked to the value of the severance pay.

2. Dismissal for cause.

Dismissal for cause is only possible in specific situations provided for in the law, which include theft, direct order disobedience, and non-compliance with company rules and policies. Due to the Brazilian labor courts' strict interpretation of dismissal for cause, employer must be able to demonstrate with sufficient evidence the employee's misconduct.

Within ten (10) days of their final day of work at the company, employees must receive:

- Outstanding salary payments (if any);
- Accrued vacation (including the 1/3 premium); and
- Social Security and FGTS contributions linked to the value of the severance pay.





### 3. Employee's resignation.

Upon resigning, an employee must provide the employer with 30 days' notice (this may not be extended). If the employee fails to do so, the employer may discount the amount corresponding to one month's salary from the employee's severance package.

Within ten (10) days of their final day of work at the company, employees must receive:

- Outstanding salary payments (if any);
- Accrued and prorated vacation (including the 1/3 premium);
- Prorated 13th salary; and
- Social Security and FGTS contributions linked to the value of the severance pay.

### 4. Mutually agreed termination.

Mutually agreed termination allows employers and employees to terminate the employment with mutual consent. In such a case, the employee is entitled to half the prior notice period.

Within 10 days of their final day of work at the company, employees must receive:

- Outstanding salary payments (if any);
- Accrued and prorated vacation (including the 1/3 premium);
- Prorated 13th salary;
- Penalty equivalent to 20% of the FGTS contributions the employer made to the employee's FGTS account during the term of employment;
- Social Security and FGTS contributions linked to the value of the severance pay.

## Working hours

### **What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?**

Brazilian Labor Law establishes that the maximum working hour per day is limited to 8 (eight) hours and the weekly working hours shall not exceed 44 (forty-four) hours. Article 58-A of CLT determines that employees in part-time regime are those whose workday do not exceed the limit of 30 (thirty) working hours per week or whose working hours are limited to 26 working hours per week, with the possibility of the addition of 6 supplementary weekly working hours.

### **Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?**

Yes, in Brazil there are the following public/statutory national holidays each year:

1. January 1<sup>st</sup> – New Year (universal)





2. April 21<sup>st</sup> – Tiradentes (historical/political)
3. May 1<sup>st</sup> – Labor Day (universal)
4. September 7<sup>th</sup> – Independence Day (historical/political)
5. October 12<sup>th</sup> – Nossa Senhora Aparecida (religious)
6. November 2<sup>nd</sup> – All Souls Day (universal)
7. November 15<sup>th</sup> – Proclamation of the Republic (historical/political)
8. December 25<sup>th</sup> – Christmas (universal)

States and municipalities may set out additional public/statutory holidays, which can be classified by the local authority as mandatory or voluntary.

**Do part time employees receive any particular protection on the basis of their part-time status?**

There are two possibilities for part time employees when it comes to working hours, as provided for in article 58-A of CLT:

1. employees who work 30 hours a week and cannot work overtime; and
2. employees who work 26 hours a week and may work additional 6 hours per week of overtime.

**Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?**

Yes.

**Social security**

**What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?**

1. 8 percent to the FGTS;
2. 20% for Social Security (National Social Security Institute or "INSS") as the employer's share;
3. 0.5% to 6% of Work Accident Insurance ("RAT")

The basic rate of RAT ranges from 1% to 3% and a factor of 0.5 to 2 is applied to it as the Accident Prevention Factor ("FAP"), reaching the adjusted RAT rate. The basic RAT rate can be increased by 12%, 9%, or 6% if the activity performed allows for special retirement, but the FAP index does not apply to the additional RAT rates, only to the basic rate;

4. up to 8,3% as Social Security Other Funds Contributions depending on the economic sector in which the company operates, but most of companies are subject to a 5.8% rate.





Social contributions are levied based on the monthly remuneration earned by the employee. The employer must pay the social contribution regardless of the type of contract.

Depending on the economic sector in which the employer entities are classified, the contribution indicated in item "ii" may be replaced by the Social Security Contribution on Gross Revenue ("CPRB") – rates from 1% to 4.5% on the employer entity's gross revenue or by the Contribution due by the Agroindustry – rate of 2.6% on the gross revenue from the commercialization of production.

**Are employers obliged to provide health insurance to their employees?**

Employers are not commanded by law to grant employees with private health insurance plans.

**Are employees entitled to unemployment insurance/benefits following the end of employment?**

After termination without cause, the employee may withdraw 100% of the total balance deposited in the FGTS, as well as be eligible to the governmental unemployment insurance program, depending on the fulfillment of certain requirements.

**Are employers obliged to provide sick leave? If yes, for how long? How many days have to be paid by employers? Is it possible to have unpaid sick leave?**

Yes. Employers that have employees who are unable to perform their activities due to illness must put these employees on a paid-sick leave. During the first fifteen days of absence (employer's period), employers are obliged to pay the employees' full compensation, but no social security contributions are due on these amounts. After this, employees must file for the paid-sick leave benefit granted by INSS. If INSS approves the employee's benefit, the government will pay for the benefit during the approved period.

**Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?**

As a general rule, women employees have 120 days of maternity leave in case of childbirth, adoption, judicial custody and stillborn baby. Employees also have two (2) weeks of maternity leave in case of natural or legal abortion. The employer is obliged to pay the employee's full compensation during the maternity leave period and these amounts are not subject to employer social security contributions, but this compensation is later offset from social security contributions due by the employer upon overall payroll. Companies may also join a Federal Government program called Empresa Cidadã, in which case they must grant an additional 60 days of leave (a 180-day maternity leave) in exchange for certain tax benefits.





**Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?**

As a general rule, male employees have 5 consecutive days of paternity leave. Companies who are part of the Empresa Cidadã program must grant a 20-day paternity leave to their employees in exchange for certain tax benefits.

**Are employers liable for absence due to work-place injuries?**

Yes. Brazilian Federal Constitution and CLT govern the general principles and rules related to occupational health and safety obligations in the workplace. The employer must notify the Ministry of Labor about the occurrence of any occupational accident in the business day that follows the accident. The liability depends on the days of absence: the first fifteen days of absence (employer's period), employers are obliged to pay the employees' full compensation. After this, employees must file for the paid-sick leave benefit granted by INSS.

**Are employees entitled to retirement benefits from the employer? If yes, what benefits?**

Yes. INSS is responsible for collecting contributions to maintain the Brazilian Social Security regime operating. The benefits are:

1. retirements;
2. pensions due to death;
3. pension due to illness;
4. pension due to disability;
5. pension due to accident;
6. imprisonment allowance;
7. maternity pay; and
8. family allowance.

**Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?**

Employers obliged to implement an Internal Committee for the Prevention of Accidents and Harassment ("CIPA" or "Comissão Interna de Prevenção de Acidentes e Assédio", in Portuguese) must establish procedures for receiving and following up on complaints, when the anonymity of the whistleblower must be guaranteed.





### 3 Safe and supportive work environment

#### **Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)**

The Regulatory Standard No. 7 ("NR7") regulates the activities of Occupational and Regulatory Standard No. 4 ("NR4") regulates Article 169 of CLT, which disciplines the Specialized Services in Occupational Safety Engineering and Occupational Medicine. NR4 provides that the dimension of the services and risks related to the main activity executed by the company and the number of employees in the office/plant. All the Companies must identify their risk level and comply with the Regulatory Standards.

#### **Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)**

No, as a rule there is no statutory requirement to issue forms of non-discrimination policies.

#### **Is there a requirement to provide employees with training designed to combat discrimination and harassment?**

The Laws no. 14.457/2022 and 14,611/2023 provides the mandatory measures to be noticed by companies to combat gender discrimination and harassment, e.g., spread biannually reports with information regarding salary between the male and female employees.

#### **Is there a requirement to have a data protection policy?**

No, but the Brazilian Data Protection Law (no. 13,709/2018) must be complied with. The law establishes rules for protecting the personal data of all Brazilians aiming to guarantee the rights to freedom, privacy, and freedom of personality development.

#### **Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?**

No. The law already provides the children protective rights during any kind of activity or practice. They are protected by the Federal Constitution, the Children and Adolescent Statute (also known as Estatuto da Criança e do Adolescente – "ECA"); and CLT (apprentices).

### 4 Tax

#### **Which taxes are mandatory for employers to pay and deduct on behalf of their employees?**

The employment-related taxes employers must consider in Brazil include the:

1. Income Tax





For individuals who are tax residents in Brazil, the company is responsible for withholding the related income tax, which is due on a monthly basis and based on a progressive tax table (rates varying from 7.5% to 27.5%)<sup>3</sup>. For payments made by a foreign source, the individual is liable for collecting the income tax through a system called 'carnê-leão', on a monthly basis based on the same rates.

## 2. INSS contributions

Contribution that guarantees payments to the employee and their families in the event of retirement, illness and death, due by both employer and employees, as follows:

- Employers - Calculated and withheld by monthly, considering a flat rate of 20% or 22.5% (depending on the employer/company's sector) over the employees' total remuneration for the month<sup>4</sup>;
- Employees - withheld monthly by the employer as part of payroll, considering rates that vary from 7.5% to 14%, over the employee's full remuneration for the month, limited to R\$ 908.85 in 2024. For non-employees, the rate is 11% limited to the cap of R\$ 856.46 in 2024.

## 3. The Work Accident Insurance (RAT)

The effective rate depends on the employer/company's sector and on the number of employees, ranging from 1% (for companies with low accident risk) to 3% (for companies with high accident risk) of the employee's monthly salary;

- The FAP index of 0.5 to 2 is applied to the RAT rate, reaching the adjusted RAT rate (0.5% to 6%).
- The basic RAT rate can be increased by 12%, 9%, or 6% if the activity performed allows for special retirement. The FAP does not apply to additional RAT rates.

## 4. Social Security Other Funds Contributions

These additional social security contributions, of approximately 5.8%, is paid by the companies in order to finance a joining of parastatal institutions, without lucrative purposes, authorized by the Brazilian Government to collect mandatory contributions for the development and maintenance of this network that provide assistance, qualification and training of employees.

### **Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?**

As a rule, the employer is responsible for withholding the aforementioned taxes on behalf of individuals holding a local labor contract in Brazil. Such employer's obligation shall not apply only if the monthly amount paid to the employee meets the exemption CAP. In cases where the "carnê-leão" (a type of tax payment system) is applicable, the worker is exclusively liable for collecting.

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<sup>3</sup> Exemption applies to payments equal or below the BRL 2,824.00 CAP.

<sup>4</sup> For certain business industries, the 20% INSS contribution has been replaced by a rate imposed on gross revenue. The rates depend on the respective sector and may reach up to 4.5% levied on the company's net revenue (the precise rate depends on the type of product manufactured and type of services provided by the company).





## 5 Remote work

### **Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?**

No, for companies that already have an entity incorporated in Brazil, i.e., company is not required to open a new subsidiary or affiliate in the state or municipality where the employees are working remotely. Yes, for companies located abroad – companies need a local entity to engage an employee pursuant to Brazilian labor and employment legislation.

### **Are employers required to provide any form of physical working space for employees working in your country?**

No.

### **Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.**

For remote working, the law permits for the employee to conduct activities in-office and remotely. Regarding working hours, the monitoring of shifts are not applied to remote work only in the case of employees who provide service by production or task. The use of technological and digital equipment, infrastructure and tools, used for remote working outside the normal working day, does not constitute time at disposal for the employer, readiness or on-call regime, unless there is a provision to that in an individual or CBA.

Furthermore, the employee in a remote working regime who conducts their activities in a location other than the agreed one, the Brazilian labor legislation continues to be applied, unless if the parties stipulate otherwise.

The adoption of telework or remote work regime for interns and apprentices is legally possible.

As a rule, the employer will not be liable for the expenses of the employee returning to the office, when the employee chooses to conduct remote work outside the location provided for in the contract.

There is no difference regarding tax liabilities for employees providing remote or in person work. If the remote working is performed abroad, it is necessary to check for the existence of agreements between the countries to avoid double taxation.

## 6 What to do when things go wrong

### **Dispute resolution**

### **Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?**

No.







## Resignation

### What grounds do employees have for resignation?

In Brazil, employment at will is applicable. Therefore, employer and employee may terminate the employment contract or resign at any time.

Pursuant to the rules established by CLT applicable to resignation, the employee may present a resignation request to the employer at any time during the employment contract. In this scenario, the employee is obliged to grant the employer with a 30-day prior notice period.

In case of resignation, the employee is also entitled to receive the following statutory severance within 10 consecutive days from the termination date:

1. salary balance equivalent to the number of days worked by the employee during the month of termination;
2. accrued and proportional vacation, plus one-third supplement over the employee's monthly compensation, classified as vacation bonus;
3. FGTS deposits; and
4. 13th salary (year-end bonus) proportional to the months worked during the year of the termination (1/12 of the monthly salary per worked month). The employee is not entitled to FGTS penalty.

## Termination

### What grounds do employers have for the termination of employment contracts?

Pursuant to the rules established by CLT applicable to terminations with cause, as well as in accordance with the understanding of Brazilian Labor Courts, the employer may terminate an employee with cause after imposing the applicable disciplinary measures in case the employee commits one or more of the serious faults/misconducts provided for in article 482 of CLT.

### How do employers have to document the termination of an employment contract?

The employer can provide a letter to inform the termination of the contract to the employee, but the formal and mandatory termination document is the termination for called "TRCT" (Termo de Rescisão do Contrato de Trabalho).

### What is the responsibility of employers for damages incurred by an employee's actions within his/her work?

The employer is responsible for all damages incurred by their employee, but it is possible to claim for their liabilities through a recovery action.





## b. Independent contractors/consultants\*

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*An independent contractor or consultant, from a legal perspective, refers to an individual or business entity that provides services to another party under the terms of a contract or agreement. The key characteristic that distinguishes an independent contractor from an employee is the level of control and independence they have over their work. Independent contractors are not considered employees and, consequently, are not entitled to the same benefits and legal protections. Instead, they are in business for themselves and are responsible for managing their own taxes, insurance, and other business-related matters.*

\* The term consultant will be used to also refer to independent contractors, or any other term that would mean a person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.

### 1 Contracts

#### **What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?**

An independent contractor can be either an individual or a legal entity, i.e., they can be hired as autonomous worker, or as services provider (through an entity incorporated by them). The independent contractor has full independence to work, has the possibility to work for other clients, and is free to determine the way the work should be done. Furthermore, the Brazilian Civil Law and the contract negotiated by the parties regulate the independent contractor relationship. There are no specific agreements available to NGOs.

#### **What are the main elements of consultant agreements?**

The main elements are:

1. description of services;
2. term (indicating the period during which the services will be provided, if applicable);
3. remuneration and payment;





4. obligations of the parties (this may include cooperation requirements, the provision of materials or information, among other things);
5. termination (establishing conditions under which the contract can be terminated by either party); and
6. applicable law and jurisdiction (indicating which law will govern the contract and which jurisdiction will have authority in case of litigation). We highlight that the substance of the agreement cannot contain elements of employment arrangement, such as subordination or set work hours.

**Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?**

It's not advisable since the probation period may indicate an employment arrangement.

**Is it possible to have a fixed term consultation/independent contractor agreement? Are there any restrictions around fixed term consultant/independent contractor agreements?**

Yes. Brazilian Civil Code provides for that consultation/independent contractor agreement cannot provide a fixed term longer than 4 years. However, the parties may renew the agreement continuously.

**Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?**

Brazilian law does not establish that this type of agreement must be in writing; however, it's advisable for the agreement to be formalized in writing to ensure the compliance with all agreed-upon clauses. Regarding the signatory requirements, the agreement may be electronically signed but the technology tools chosen by the parties must be able to demonstrate:

1. authenticity (proof that the signature actually belongs to the person it identifies) and
2. integrity (proof that the content of the document has not been changed after being signed).

Signatures using Brazilian Public Key Infrastructure ("ICP-Brasil") digital certificates issued by certifying entities, upon confirmation of the applicant's identity, are presumed authentic and true, unless proved otherwise.

**Do all types of independent contractors/consultants have to be under contract in order to be able to work?**

Independent contractors/consultants have to be under contract stating the conditions of the services that contractors/consultants will provide. In addition, we highlighted that pursuant to the Brazilian labor and employment legislation (Article 9 of CLT), the facts prevail over form – i.e.,





regardless of whether the independent contractors/consultants entered into an agreement with the company stating that they will not have an employment relationship, if the independent contractors/consultants perform activities in a way that meet the legal requirements of the employment relationship, there will be a possible risk of employment misclassification recognition.

**Can you provide a simple template of the agreements mentioned above?**

Please refer to [Addendum 2 – Independent Contractor Agreement Template](#).

**Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?**

Currently, the existing legislation does not require the running of a criminal record to check. However, there is a draft bill, currently being analyzed and voted by the Senate, that makes it mandatory for anyone working with children to present police records or similar document.

## 2 Conditions of work for consultants

**Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?**

Yes. According to Brazilian law, only individuals who are 18 years of age or older can work under a consultant/independent contractor agreement, without involving third parties. It is possible for individuals between 16 and 18 years of age to work under a consultant/independent contractor agreement, if represented by the parents/legal guardian, and for individuals younger than 16 years of age, if assisted by the parents/legal guardian.

**Does a consultant/independent contractor need to obtain a license or any other permission in order to work?**

It depends on the nature of work being performed since it may require specific licenses or permits. For example, professionals such as engineers, economists, psychologists and speech-language pathologists require licensing or registration to practice their activities legally in Brazil.

### Payment

**Are there any minimum pay requirements for consultants/independent contractors?**

The law does not establish minimum pay requirements for consultants/independent contractors.

**Are there any exceptions in minimum wages for young persons or people with disabilities?**

The law has no exceptions in minimum wages for young persons or people with disabilities.





**Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?**

Considering consultants are not employees, the hiring party cannot have control over individual's work hours and days. Consultants must self-manage their work hours and days.

**Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?**

No. The payment of annual leave would indicate an employment relationship. Independent contractors are considered self-employed individuals, and they are responsible for managing their own benefits, including vacation and other time-off arrangements.

**Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?**

There is no legal obligation to provide overtime pay to independent contractors or consultants. Independent contractors are considered self-employed individuals, and they are not covered by the same labor laws and regulations that apply to employees. As a result, they are not entitled to overtime pay or other benefits that are typically associated with employment relationships.

**Are consultants entitled to an end-of-year payment?**

The entitlement to an end-of-year payment, often referred to as a "13th salary" (décimo terceiro salário), is only applicable to employees and not to consultants or independent contractors.

**Are consultants entitled to a final payment when the contract is terminated?**

In Brazil, consultants or independent contractors are not automatically entitled to a final payment when their contract is terminated. The terms and conditions regarding final payments to consultants should be clearly specified in the contract or agreement between the consultant and the hiring party. The specific terms may vary widely depending on the agreement negotiated between the parties.

**Working hours**

**Are consultants entitled to any type of leave, whether paid or unpaid?**

Paid leave benefits, such as annual paid vacation, sick leave, and maternity/paternity leave, are provided to employees. Independent contractors are responsible for managing their own work schedules, including any time off they may need, negotiating the terms of their contracts with hiring parties. Regarding unpaid leave, if the agreement includes provisions for it, then the consultant may be entitled to such leave as specified in the agreement.





## Social security

### **Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?**

If independent contractors render services to individuals or to an entity that is exempt of social security contributions, the obligation to make social security contributions falls on themselves, not on the end user engager. In this case, the independent contractor can choose between the traditional INSS plan (20% rate) or the simplified plan (11% rate). The choice of plan will determine the social security benefits available. If they render services to a company, the company will have to collect a 20% rate contribution upon the independent contractors' compensation and withhold a 11% rate contribution (capped at R\$ 856.46) at payment of compensation.

### **Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?**

Independent contractors or consultants are not entitled to unemployment insurance after the agreement's termination from the end user engager. Unemployment insurance in Brazil is primarily designed for individuals who are considered employees and have had their employment relationships terminated by their employers. Independent contractors are entitled to Social Security benefits after a minimum period of contribution.

### **Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?**

Independent contractors and consultants are responsible for managing their own work arrangements and income. Therefore, they are not entitled to paid sick leave or other benefits that are typically provided to employees. Instead, they can negotiate the terms of their contracts, including whether they will be compensated for any periods of illness or how they will handle work disruptions due to illness. The consultant or independent contractor who contribute to the INSS is entitled to paid sick leave after a minimum contribution period paid by the INSS.

### **Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?**

Yes, independent contractors are entitled to maternity leave if they contribute to INSS for at least ten months before birth.

### **Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?**

No. Independent contractors and consultants are usually considered self-employed individuals or entities, and they are responsible for managing their own work arrangements, income, and benefits. Therefore, they do not have the entitlement to paternity leave from end user engager.





### **Are employers obliged to cover work-place injuries for independent contractors/consultants?**

No. Independent contractor and consultants do not have the same entitlement to workers' compensation benefits as employees, but they may be entitled to social security benefits regarding paid sick leave.

### **Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?**

Private retirement benefits, such as private pension contributions and plans, are typically associated with formal employment relationships, but it is possible to extend such benefits to independent contractors. Regarding public social security benefits, they are entitled as mentioned above.

## **3 Safe and supportive work environment**

### **Are there any differences in terms of the regime that applies to employees?**

The company is responsible for the occupational health and safety conditions of the workplace whether regarding its employees or third parties (contractors), provided these contractors render services in the same workplace of the employees.

## **4 Remote work**

### **Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?**

End user engagers are not required to have a registered legal entity in Brazil solely for the purpose of hiring independent contractors or consultants. The engagement of independent contractors is based on contractual agreements between the parties and there is no specific legal requirement for the end user to have a registered entity in Brazil to engage independent contractors. However, it's important to note that, while there is no specific requirement for the end user to have a registered entity, there are tax considerations that both the end user and the independent contractor should be aware of when engaging in such arrangements.

## **5 What to do when things go wrong**

### **Resignation**

### **Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?**

Consultants or independent contractors can terminate a contract for any reason as long as the terms of the contract allow such termination. The ability to terminate a contract is governed by the specific provisions outlined in the contract itself. These provisions may include details about notice





periods, termination conditions, and any penalties or consequences for terminating the contract prematurely.

### **Termination of agreement**

#### **What grounds do end user engagers have for the termination of consultant agreements?**

End user engagers typically have various grounds for the termination of consultant agreements. The specific grounds for termination can vary based on the contractual provisions. Some common grounds for the termination of consultant agreements are:

1. completion of project or services;
2. expiration of contract term;
3. breach of contract;
4. termination for convenience;
5. force majeure; and
6. failure to meet project objectives and goals set forth in the contract; among others.

#### **What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?**

The responsibility of end user engagers for damages incurred by a consultant's actions within their work can vary depending on the terms and conditions specified in the consultant agreement. If the damages are a result of the consultant's negligence, misconduct, or failure to meet professional standards, the end user engager may have legal grounds to hold the consultant responsible for the damages.







## c. Volunteers

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*The law establishes that all unpaid activities provided by an individual to a public entity of any nature or to a private non-profit institution that has civic, cultural, educational, scientific, recreational or personal assistance objectives, will be considered as volunteer.*

### 1 Contracts

#### **Are organizations required to sign any form of agreement with volunteers?**

Yes. Must sign the Engagement Term (Termo de Adesão) attesting that they are aware of the rules.

### 2 Conditions of employment

#### **Is there a minimum age requirement for volunteers?**

No, but if volunteer is under 18 parents or guardians must sign the Engagement Term (Termo de Adesão).

#### **What type of volunteering work may a child undertake? Are there any restrictions around this?**

Work that has no unhealthy or dangerous character.

#### **Payments and reimbursement**

#### **Are organizations allowed to pay stipends to volunteers?**

No, the activity cannot be remunerated.





**Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).**

Yes, they are allowed to reimburse expenses that are demonstrably incurred in the performance of the voluntary activities and have been expressly authorized by the organizations to which it is provided volunteer service.

**Working hours**

**Are there any obligations around how many hours volunteers can work?**

Yes, volunteer service cannot exceed eight (8) hours per week.

**Are volunteers entitled to any type of leave?**

No, voluntary service does not generate any social security or related obligation.

**Social security**

**Are organizations obliged to pay any social security contributions on behalf of their volunteers?**

No, voluntary service does not generate any social security or related obligation if the volunteer service is unpaid. If the volunteer service is paid, the individual will be classified as an "individual contributor". Please refer to the section "[b. Independent contractors/consultants.](#)"

**Are organizations obliged to provide health insurance to volunteers?**

No, voluntary service does not generate this type of costs.

**Are organizations liable for absences of volunteers due to work-place injuries?**

No, only if the organization is to blame.

## **3 Safe and supportive work environment**

**Are there any differences in terms of the regime that applies to employees?**

No, the work environment should be respectful for all employees.





## 4 Tax

### **Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?**

Firstly, from an employment standpoint, volunteer work shall not be remunerated and any amount paid to volunteers must be paid only as reimbursement of the volunteers (i.e., as to expenses incurred in connection to the execution of the voluntary services), even if they are paid under the title of stipends, in order ensure that the they are not deemed as salary (and thus, subject to the labor treatment applicable to the latter). Also, it is recommendable to enter into a volunteer agreement providing the terms and conditions of such payment.

From a tax perspective, although not characterized as salary, stipends are regularly subject to Income Tax (withheld by the source of payment, as pointed out above). Please note that the payment of stipends would disqualify the service from being considered voluntary (absence of remuneration). Additionally, such amounts may be subject to social security contributions as they would be considered compensation for the service provided. It is possible for organizations to provide food and transportation intended for the performance of volunteer service without falling under the classification of compensation.

## 5 What to do when things go wrong

### **What grounds do organizations have for the termination of volunteer agreements/arrangements?**

The organization may terminate volunteer service for any reason that is not discriminatory, signing a term of termination.

### **What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?**

The organizations are responsible for all damages incurred by their volunteers, but it's possible to claim for their liabilities through a recovery action.



## d. Non-citizen employees and consultants, including refugees and others forcibly displaced

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### 1 Status and the right to work

**Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)**

For both employees and consultant who will work in Brazil, they will need:

1. a residency permit;
2. a visa;
3. to be enrolled with the Individuals' Taxpayers' Registry ("CPF"); and
4. to be registered at the National Immigration Registry at the arrival in Brazil ("RNM").

**Are employers obliged to secure work permits for their employees or consultants?**

Yes, must be requested from the Ministry of Labor.

**Is it always necessary to obtain a work permit?**

1. Employees.

For employees, it is always necessary to obtain a work permit. The employment's visa and work permit is valid for up to two (2) years, which can be extended during the employment relationship in Brazil. To obtain the visa, the foreign employee will need to present to Brazilian authorities:

- Documents demonstrating the compatibility between the qualifications and professional experience of the foreigner with activities that will be carried out in Brazil.

- Employment contract executed in Brazil with the Brazilian entity (governed by Brazilian employment legislation).
  - Information about the company that will be the employer in Brazil.
  - Passport and visa information
2. Consultants.

For consultants, it depends on the activity they will perform in Brazil, how long they will stay, from which country they are (e.g., international conventions regulations may vary from country to country) and other specific variations. Nevertheless, the most common visas for consultants are:

- **Technical Assistance:** If any foreigner is hired through technical assistance visas and residence permits, the RN 3/2017 of the Ministry of Labor/Immigration Sector (also known as "CNIG") does not permit the provision of services related to administrative, financial, and managerial functions (if subordinated to the hiring entity). If a foreigner only holds a management position without performing any technical services, he/she must be assigned as an actual employee in Brazil through an employment visa and residence permit.
- **Officers (i.e., engaged without an employment relationship):** Applicable to foreigners who will need to act as statutory officers or administrators (legal representatives) of the Brazilian entity, as provided in the RN 11/2017 of CNIG. In this case, the foreigner needs to hold actual management powers (i.e., sign documents on behalf of the company, powers of attorney, close business deals, among others) and not be treated as a regular employee.

### **Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?**

While waiting for a response of the request for refuge or asylum, the foreigner has guaranteed the right to work. If the request is denied, the foreigner must regularize his stay in the country, requesting a visa to work.

## **2 Contracts**

### **Are employment contracts or consultant agreements for non-citizens different to those for citizens?**

No, contracts are the same to all employees regardless of their nationality.

## **3 Conditions of employment**

### **Does national law regulate the quotas for the number of non-citizens within one organization?**

The organization may have a maximum of 1/3 non-citizens employed.

**Are employers obliged to report about employed non-citizens?**

Yes. Employers are obliged to report about them. Also, Ministry of Labor adopts the 1/3 rule for the payroll when comparing the monthly salary paid between citizens and non-citizens.

**Are there any other differences in conditions of employment for non-citizens and citizens?**

No. The right is the same to all employees regardless of their nationality.

**Are there any specific employment terms that apply to citizens but not apply to non-citizens?**

No. Non-citizens have the same rights and duties as citizens and have the same employment relationship.

## **4 Safe and supportive work environment**

**Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.**

No. The work environment should be respectful for all employees.

**Does the employer have additional obligations for non-citizens?**

Employers must check if the non-citizen has a legal status to work in the country.

## **5 What to do when things go wrong**

**Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.**

No. Non-citizens have the same labor rights as a Brazilian citizen. However, the employer must communicate the termination to CNIG.

**Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.**

No. Non-citizens have the same duties as citizens.

**Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?**

Yes. All are equal before the law and are entitled without any discrimination to equal protection of the law, including labor and employment rights.

# 3. Addendums

## a. Addendum 1 – Employment Contract Template

By this private instrument (the "**Contract**"):

[ ], , enrolled with the National Taxpayers' Registry under number [ ], hereinafter referred to as the "**EMPLOYER**"; and

[**FULL NAME OF THE EMPLOYEE**], bearer of Employment Card (CTPS) No. [•], series [•], bearer of the Identity Card under No. [•], enrolled with the Individual Taxpayers' Register (CPF) under No. [•], resident and domiciled at [•], City of [•], State of [•], ZIP Code [•], hereinafter referred to as the "**EMPLOYEE**".

*(Employer and Employee, each a "Party" and jointly the "Parties")*

EMPLOYER and EMPLOYEE, based on Article 443, paragraph 2<sup>nd</sup>, of the Brazilian Labor and Employment Code ("**CLT**") agreed to enter into this Employment Contract with a Probation Clause (the "**Contract**"), to be ruled by the following terms and conditions:

### **Clause 1. Position**

**1.1.** The EMPLOYER hereby hires the EMPLOYEE to render services as [•] and the EMPLOYEE hereby accepts such an engagement upon the terms and conditions set forth herein, rendering all activities related to his/her position.

**1.2.** The EMPLOYER, in the exercise of its directive power, may partially change and even include some activities to the list of duties of the EMPLOYEE, provided those are compatible with the graduation and expertise of the EMPLOYEE.

**1.3.** During the effectiveness of the Contract, the EMPLOYEE has an obligation to perform all the functions of his/her position in accordance with period, quality and quantity determined. The EMPLOYEE also undertakes to comply with the disciplinary rules and internal regulations of the EMPLOYER, including IT and communication policies - the breach of which shall entail the penalties foreseen by law - and, upon request, use all security, equipment provided by the EMPLOYER.

By means of this Contract, the EMPLOYEE attests that he/she has received a copy of the EMPLOYER's internal policies, which is included as an annex to this Contract, having knowledge and understanding of its content.

**1.4.** During the term of this Agreement, EMPLOYEE shall devote his/her entire time and attention during his/her work hours exclusively to the activities and interests of the EMPLOYER, and shall not, without the EMPLOYER's express written consent, engage in any employment or business, whether part time or full time, other than for the EMPLOYER, in accordance with the clause 9 of this Contract.

**1.5.** The EMPLOYEE must inform the EMPLOYER whenever his/her personal, family or professional details change so that the EMPLOYER can keep the EMPLOYEE'S details up-to-date vis-a-vis the social security and tax authorities. The EMPLOYEE'S omission or failure to comply with this clause exempts the EMPLOYER from any liability and the EMPLOYEE shall be held liable for indemnifying the EMPLOYER if it incurs fines, costs, expenses or losses arising thereof.

**1.6.** The EMPLOYEE may provide services to other companies of the EMPLOYER's economic group and other companies within the same group of legal entities as the EMPLOYER (each a "**Employer Group**"), without change in compensation or the activity performed.



## **Clause 2. Effectiveness of the Contract**

**2.1.** According to Article 443, § 2<sup>nd</sup>, "c" of CLT, this Contract is valid for a total period of [ ] days, as long as there is no written pronouncement on the contrary by any Party before its termination.

**2.2.** Pursuant to Article 451 of CLT, the contracting Parties agree that in case this Contract reaches [ ] days without a written notice of any Parties regarding the non-extension of the contractual term, this Contract shall be executed, automatically, as for an indefinite term.

## **Clause 3. Workplace**

**3.1.** The workplace is in [ ]. In the event of possible duties for other locations, the EMPLOYEE is obliged to act accordingly, at the EMPLOYER's request.

**3.2.** At any time, the EMPLOYER may transfer the EMPLOYEE temporarily or definitely to any State or country. It is expressly established the ruling of possible transfer, by which, according to Article 469, § 1<sup>st</sup> of CLT, the EMPLOYEE may be transferred to any place where the EMPLOYER renders or will render services, holding the EMPLOYER harmless from any burden, except for the expenses with the EMPLOYEE's personal transportation to the new workplace.

**3.3.** The EMPLOYEE attests his/her knowledge regarding EMPLOYER's travel policy, which is included as an annex to this Contract, and declares by means of this agreement his/her acceptance of terms of this Policy.

**3.4.** Considering the possibility of traveling on a regular basis, the EMPLOYEE undertakes the obligation to have his/her passport update as well as any other travel documentation required.

## **Clause 4. Workday** *Not applicable for an exempted employee (e.g., employee holding a position of trust).*

**4.1.** The estimated daily workday of the EMPLOYEE will be from [•], with one hour of lunch and rest break, reaching a workweek up to [ ] hours. The workday of [ ] hours on Saturdays shall be compensated with the increase of such hours in the days worked from Monday to Friday.

**4.2.** The workday of the EMPLOYEE will be recorded on his/her register and the potential reduction of the workday by the EMPLOYER will not modify it, as the EMPLOYEE is obliged to fully comply with the workday established by the EMPLOYER, according to legal limit.

**4.3.** The EMPLOYEE undertakes to render services on overtime, whenever requested by the EMPLOYER, as established under Law. Any overtime must be approved in written by the EMPLOYER and the EMPLOYEE is entitled to the overtime with the additional hourly rate established by Law, except in case of compensation, with reduction of the workday in the following day.

**4.4.** The EMPLOYEE agrees to register the workday personally and accurately in his/her timecard, mechanic or manually, as well as to daily sign it, in the event of manual control; and in the event of mechanical control, the referred signature will occur in the end of the month. The irregular registration of the workday by the EMPLOYEE may result in sanctions and warnings to the EMPLOYEE, including the termination of this Contract with just cause.

**4.5.** The EMPLOYEE agrees to perform his/her services in any work shift, either daily, overnight or jointly, as well as on Sundays and holidays, in accordance with the legal provisions and to be subject to a bank of hours or compensation of workday, at the EMPLOYER's sole discretion.

## **Clause 5. Salary & Benefits**

**5.1.** As compensation for the services rendered, the EMPLOYER shall pay to the EMPLOYEE a **monthly gross salary of BRL [•]**, besides, vacation plus 1/3, 13<sup>th</sup> salary and other labor charges foreseen in the legislation.

**5.2.** The EMPLOYER is authorized to deposit the amounts due to the EMPLOYEE in a bank account at a financial institution of the EMPLOYER's choice.

**5.3.** The EMPLOYEE authorizes the discounts on his/her salary, of the amounts paid in advance by the Employer, as well as of legal discounts, especially tax, social security contributions, benefits and amounts negotiated upon or EMPLOYER's policies.

**5.4.** The EMPLOYEE may be reimbursed for the extraordinary expenses incurred in the performance of his/her duties, with previous approval and upon presenting receipts of payments made and justification thereof, as set forth in the EMPLOYER's policies. The mentioned expenses do not include commuting expenses from and to the EMPLOYER.

**5.5.** The EMPLOYEE will be entitled to the benefits foreseen in the EMPLOYER's policies.

**5.6.** Upon termination of this Agreement, for any reason, the EMPLOYEE shall no longer be entitled to any remuneration and benefits arising from the period of his appointment as an EMPLOYEE of the EMPLOYER.

**5.7.** The Parties shall be responsible for the payment of any taxes, charges and social security contributions levied on the compensation paid to the EMPLOYEE, in accordance with the applicable legislation.

**5.8.** The EMPLOYEE agrees to render services to other companies related to the interests of Singapore or to the Singapore government, during the usual working hours, with no right to any additional remuneration.

#### **Clause 6. EMPLOYEE's Protection & Working Conditions**

**6.1.** The EMPLOYER will provide to the EMPLOYEE conditions in compliance with the rules of health and safety at work and labor protection equipment in accordance with the provisions of applicable legislation.

**6.2.** The EMPLOYEE is responsible for all damages caused by him/her, duly proved, caused to the EMPLOYER or to the property of third parties that is under the possession and safekeeping of the EMPLOYER, in accordance with 1<sup>st</sup> paragraph of Article 462 of CLT.

**6.3.** The EMPLOYEE expressly declares that, if the event mentioned in Clause 6 occurs, the EMPLOYER may monthly deduct of his/her salaries the total amount of the damage, within the limits authorized by the applicable legislation.

#### **Clause 7. EMPLOYEE's Obligations**

**7.1.** The EMPLOYEE shall comply with the instructions and rules (including the personnel policies and procedures) of the EMPLOYER published (even if published through training, in EMPLOYER's intranet, Code of Conduct, Handbooks etc.) and amended from time to time. The EMPLOYEE's breach of: **(i)** the obligations established under this Contract or EMPLOYER'S Policies; **(ii)** his/her responsibilities; **(iii)** or in complying with the instructions of the EMPLOYER may result in disciplinary sanctions or the termination of the Contract for just cause.

**7.2.** The EMPLOYEE shall comply with all health and safety operation rules and comply with safety procedures, as well as preserve and safeguard EMPLOYER's belongings.

#### **Clause 8. Confidentiality**

**8.1.** The EMPLOYEE, directly or indirectly (on his/her behalf or in name of any other person, company, association, enterprise or any form of entity or business) understands that **(i)** in view of his/her employment relationship with the EMPLOYER, he/she may have access to confidential and proprietary information (information or matter which is not in the public domain) and trade secrets of the EMPLOYER and other Employer Group, including, but not limited to, confidential and secret business, marketing and financial plans, technical and financial data, strategies and studies, detailed customer and/or client lists and information relating to the operations and business requirements of those customers and/or clients; **(ii)** EMPLOYER's (and Employer Group) customer and client contacts and relations are established and preserved at great expense to the EMPLOYER and the Employer Group, and **(iii)** the EMPLOYER and each Employer Group takes reasonable efforts to ensure that information regarding its customers and clients is kept secret, being true

that the EMPLOYER and the Employer Group has a legitimate interest in protecting its goods, confidential information, trade secrets, client relationships and other assets.

**8.2.** The EMPLOYEE shall not disclose: **(a)** any information established by Clause 8.1 or any information related to the EMPLOYER, Employer Group, subsidiaries, affiliates, its members, officers, service providers, suppliers or clients, whether verbally or in written or by any other means or form, including, but not limited to, ideas, projects, information, commercial, accounting, legal and/or operational information, names and data of clients, partners and/or targets (whether potential or existing), proposals, business strategies, reports, plans, financial and/or marketing projections, among other information; **(b)** non-public data related to operations or businesses conducted by the EMPLOYER's members, by the EMPLOYER and by any Employer Group and by its and their clients, including confidential information, trade secrets, patents, client lists or any other confidential information, to any third party; and **(c)** any information produced by the EMPLOYEE that contains, reflects or is derived from information or documents made available by the EMPLOYER or any Employer Group ("Confidential Information") during or after the effectiveness of this Contract without the prior written consent of the EMPLOYER.

**8.3.** The EMPLOYEE is obliged to keep absolute confidentiality concerning the information that he/she acknowledges during the relationship between Parties, preventing to use them on his/her behalf or of third parties, or, by any means, to disclose such information, data, projects, rights of intellectual creation (authorship rights), know-how, marketing strategies and launching of products, schedules and similar, under penalty to respond, according to Law for the damages caused due to the breaching of the commitment assumed with the signing of this Contract.

**8.3.1.** In case of violation by the EMPLOYEE of confidentiality clauses, a penalty of [●] will be applied for each violation, in addition with a penalty of [●] per day that the EMPLOYEE is violating, in addition to the EMPLOYEE being liable for the losses and damages potentially caused to the EMPLOYER.

**8.4.** In view of Clauses above, the EMPLOYEE agrees that he/she, directly or indirectly (whether on his/her own behalf or on behalf of any other person, corporation, partnership, venture, or any other entity or form of business):

**8.4.1.** During an undetermined period, and according to the limits and subject to the penalties set forth on Federal Law No. 9,279/96, in its Sections 195, XI and 209, will not disclose any of the confidential and proprietary information and trade secrets of the EMPLOYER or any Employer Group.

**8.4.2.** The EMPLOYEE shall not make any disparaging or negative comment to any other person or entity regarding the EMPLOYER, its parent, members, officers, directors, employees, representatives or affiliated entities, with respect to the circumstances related to EMPLOYER's activities.

**8.5.** These confidentiality obligations shall survive the termination of this Contract and extend to any Employer Group.

**8.6.** During the effectiveness of the Contract, the EMPLOYEE is expressly prohibited from:

**a)** exercising any activity that competes with the business of the EMPLOYER, including conducting any business that will interfere or conflict with the interests of EMPLOYER.

**b)** using the rights, privileges or authority of his/her position to obtain personal benefit or advantage over a seller, supplier or any person who has a business or commercial relationship with the EMPLOYER;

**c)** using the name and/or trademark owned by the EMPLOYER for the purpose of obtaining personal advantage.

**d)** establishing any business relations or commitments on behalf of the EMPLOYER, or receive any commissions without prior written approval from the EMPLOYER.

**8.7.** Nothing in this Contract shall prohibit or restrict the EMPLOYEE from **(i)** making any disclosure of information required by law; **(ii)** providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by, any federal regulatory or law enforcement agency or legislative body, or EMPLOYER's designated legal, compliance or human resources

officers; or **(iii)** testifying or participating in or otherwise assisting in a proceeding relating to an alleged violation of any federal, state or municipal law.

**8.8.** In the event that the EMPLOYER or any Employer Group becomes involved in any lawsuit or administrative proceeding relating to events which occurred during his/her relationship with the EMPLOYER, the EMPLOYEE will cooperate to the fullest extent possible with the Employer Group's requests for assistance, including, but not limited to, responding to inquiries, preparing and executing affidavits, testifying or providing information requested by the Employer Group and otherwise assisting with the preparation, prosecution or defense of claims.

### **Clause 9. Exclusivity**

**9.1.** The EMPLOYEE shall devote full time, attention, and energies to the activities of the EMPLOYER and, during this employment, will not engage in any other business activity, regardless of whether such activity is pursued for profit, gain, or other pecuniary advantage. The EMPLOYEE shall guarantee that he/she received a release from previous employer and he/she has no employment relationships or non-compete obligations with any other company (both government and private sectors).

### **Clause 10. Intellectual Property**

**10.1.** The EMPLOYEE undertakes and agrees that any and all patents, licenses, author's rights, trade secrets, trademarks, domain names, registered patents, drawings, logos, slogans, computer's software and any other intellectual property rights (both in Brazil and foreign countries) prepared or created by the EMPLOYEE, individually or collectively, during his/her employment relationship with the EMPLOYER, shall be exclusive property of the EMPLOYER, that will have the right to license and exploit it commercially.

**10.2.** In case of discoveries or inventions created and developed by the EMPLOYEE, not related to this Contract, or without the use of resources, data, materials, equipment and/or information from the EMPLOYER, the EMPLOYEE undertakes to grant to the EMPLOYER the preference to exploit or acquire the patent thereof.

**10.3.** The EMPLOYEE agrees, upon the EMPLOYER's request, to perform all acts necessary to ensure the rights of the patent, author's rights, upon assignment or any other form to the EMPLOYER. The EMPLOYEE agrees to fully and immediately disclose to the EMPLOYER any and all inventions, technical improvements or discoveries, that may be patent or not, prepared or created by the EMPLOYEE upon the use of equipment, materials and/or information provided by the EMPLOYER, or that directly or indirectly are arising from the period of his/her employment relationship with the EMPLOYER.

**10.4.** The EMPLOYER is hereby authorized to apply for registration and obtain the corresponding patent, for which purpose it is hereby expressly stipulated and granted permission equivalent to the transfer and award thereof for all legal purposes and effects.

### **Clause 11. EMPLOYER'S Property**

**11.1.** All documents, manuals, hardware and software provided by the EMPLOYER for the EMPLOYEE's use (or any other Employer Group), and any data or documents (including copies) produced, maintained or stored on the EMPLOYER's (or any other Employer Group), computer systems or other electronic equipment (including mobile phones), remain the property of the EMPLOYER.

**11.2.** The EMPLOYEE will perform and adopt adequate security measures to safeguard Confidential Information and EMPLOYER property both on EMPLOYER premises and otherwise from unauthorized access, use or misappropriation, and shall report immediately in the event of lost or misplacement of any Confidential Information or EMPLOYER property (including, without limitation, laptops and mobile phones and any back up devices).

**11.3.** Any EMPLOYER'S property (or any other Employer Group) in the EMPLOYEE's possession (including any laptop, phone, back up devices or other hardware or devices, and any and all information, data and software stored on such devices) and any original or copy documents

obtained by the EMPLOYEE in the course of his/her employment relationship shall be returned to the EMPLOYER intact (without any deletion, destruction, corruption or alteration at any time on request and in any event prior to the termination of this Contract.

**11.4.** If the EMPLOYEE deliberately or willfully damages, corrupts, deletes, alters or destroys any property of the EMPLOYER (or any other Employer Group) (including, without limitation, any and all information, data and software on any laptop, phone, back up devices or other hardware or devices) the EMPLOYER reserves the right to reclaim from the EMPLOYEE, any and all costs incurred by it (or any other Employer Group) to repair, reinstate or recover such data, information or property.

### **Clause 12. Data Protection**

**12.1.** The EMPLOYEE agrees that the EMPLOYER may collect and disclose certain personal data to third parties, agents and contractors that provide services to the EMPLOYER, and/or governmental authorities pursuant to lawful requests, and/or other companies in connection with the operations of the EMPLOYER's businesses or business transactions, always in accordance with applicable data protection laws and EMPLOYER's policies.

### **Clause 13. Compliance**

**13.1.** The EMPLOYEE declares and undertakes to comply with the EMPLOYER's Code of Conduct, as well as the Anti-Bribery Brazilian Federal Law No. 12,846/2013, the Foreign Corrupt Practices Act and the UK Bribery Act 2010.

**13.2.** The EMPLOYEE agrees that he/she shall not pay, promise to pay, authorize the payment, give, promise to give or authorize the giving of anything of value, including but not limited to direct or indirect payments of money, commissions, gifts, entertainment, travel expenses, political or charitable contributions or services, to any third parties, including any employee or a government official, governmental agency, political party or candidate for political office, for purposes of **(a)** influencing any act or decision of such recipient, **(b)** inducing such recipient to do or refrain from doing any act in violation of the lawful duty of such recipient; **(c)** securing any improper advantage; or **(d)** inducing such recipient to use his/her influence to affect or influence any act or decision with respect to any activities undertaken relating to this Contract.

**13.3.** The EMPLOYEE represents and warrants that he/she is not an official agent or employee of any government, governmental agency or political party, nor a candidate for any political office as of the date of this Contract. The EMPLOYEE shall promptly notify the EMPLOYER of the occurrence of any event that would result in an exception to this representation.

### **Clause 14. Termination of the Employment Contract**

**14.1.** This contract may be terminated by both parties at any time, subject to compliance with the provisions set forth by the applicable law in force. All the labor rights foreseen by Brazilian law at the time of termination will be observed.

**14.2.** The EMPLOYER can unilaterally terminate this Contract without cause by giving the EMPLOYEE a thirty (30) to ninety (90) days prior notice, according to the provisions set out by Law 12.506/2011.

**14.3.** The Party who terminates this Employment Contract prior to the term of the probation clause must indemnify the other Party, as established in Articles 479 and 480 of CLT.

**14.4.** Upon termination of this Contract or upon request at any time by the EMPLOYER, the EMPLOYEE will return any and all documents, records, client files, client lists, files, plans, specifications, codes, procedure manuals, reference manuals, business cards, software, books, equipment, and other materials, objects and property (and all copies thereof) that belong to the EMPLOYER, Employer Group or the members of the EMPLOYER. The EMPLOYEE shall also destroy or discard, upon receipt of a written request from the EMPLOYER to that effect, any and all written material and electronic files containing confidential information of the EMPLOYER or of the

members of the EMPLOYER, in accordance with this Contract. These obligations shall be complied by the EMPLOYEE, in a term up to [●], after the request by the EMPLOYER.

**14.5.** Besides the causes established in Article 482 of CLT, any violations of the clauses herein, shall be considered as just cause for termination of this Contract.

**Clause 15. Miscellaneous**

**15.1. Waiver.** Any amendment or waiver to the provisions of this Contract shall be deemed null and void, unless executed and signed by all Parties.

**15.2. Tolerance.** The acceptance, by any of the Parties, of any breach, by the other Party, pursuant to any provisions of this Contract, shall be interpreted as a mere act of special privilege and, thus, will not cause waiver or renewal of the rights to demand or plead the execution of any of the obligations pursuant to this Contract.

**15.3. Legal Counsels.** The Parties acknowledge that they have the opportunity to be advised by legal advisers and that the terms of this Contract have been negotiated and discussed in good faith and reflect their understanding in a precise and appropriate manner.

**15.4. Binding Effect.** The Parties state and represent that **(i)** they have had the opportunity to review this Contract, **(ii)** have carefully read this Contract, **(iii)** know the contents hereof, **(iv)** freely and voluntarily agree to all the terms and conditions hereof, **(v)** understand the final and binding effect of this Contract, and sign it as their own free act, both in Portuguese and English.

**15.5. Severability.** If any provision or provisions of this Contract is held invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions of this Contract shall not in any way be affected or impaired and shall remain enforceable and valid to the fullest extent permitted by law.

**15.6. Governing Law and Jurisdiction.** The Contract herein shall be governed by and construed in accordance with the laws of Brazil and the jurisdiction of the courts of the City and State of São Paulo is mutually elected by the Parties in order to resolve any disputes or questions that may arise from this Contract.

**15.7. Language.** This Contract is executed in Portuguese and English. In the event of doubt or discrepancies between such two versions, the Portuguese version shall prevail.

Thus, being agreed and contracted, the Parties execute this Contract electronically, by digital signature of *DocuSign*, in two (2) identical counterparts of equal content and form.

Signatures: \_\_\_\_\_

Date: \_\_\_\_\_

# **b. Addendum 2 – Independent Contractor Agreement Template**

Between:

- **Client's Full Name**
- **Client's Tax Pay Number:**
- **Client's Address**

Hereinafter referred to as the "Client."

**And**

- **Contractor's Full Name:** [Contractor's Full Name]
- **Contractor's Tax Pay Number:** [Contractor's CPF Number]
- **Contractor's Address:** [Contractor's Address]

Hereinafter referred to as the "Contractor."

## **1. PURPOSE OF THE AGREEMENT**

This Agreement sets forth the terms and conditions for the provision of independent contractor services by the Contractor to the Client.

## **2. DESCRIPTION OF SERVICES**

The Contractor agrees to provide the following services to the Client:

[Describe the services to be provided in detail, including deadlines, technical specifications, goals, etc.]

## **3. NON-EMPLOYMENT CLAUSE**

The parties expressly acknowledge and agree that the relationship established by this Agreement is strictly that of an independent contractor relationship. Neither party shall be deemed an employer of the other, and no employment, partnership, or association relationship is created by this Agreement. The Contractor is an independent contractor and not an employee of the Client.

#### **4. REMUNERATION**

The Client agrees to pay the Contractor the following compensation for the services rendered:

[Describe the payment method, hourly rate, total amount, or any other relevant compensation details.]

#### **5. TERM**

This Agreement shall become effective upon the date of signing and shall have a duration of [specify the duration].

#### **6. CONTRACTOR'S OBLIGATIONS**

The Contractor agrees to:

Perform the agreed-upon services with diligence and competence.

Meet established deadlines.

Maintain confidentiality regarding the Client's sensitive information, if applicable.

Comply with all applicable laws and regulations related to the services provided.

#### **7. CLIENT'S OBLIGATIONS**

The Client agrees to:

Pay the compensation as agreed upon in this Agreement.

Provide the Contractor with all necessary information and resources for the performance of the services.

#### **8. TERMINATION**



This Agreement may be terminated by either party upon written notice of [specify the notice period] days.

**9. GOVERNING LAW**

This Agreement shall be governed and interpreted in accordance with the laws of [specify the country or state], and any disputes arising from this Agreement shall be subject to the exclusive jurisdiction of the competent courts in this jurisdiction.

**10. GENERAL PROVISIONS**

This Agreement constitutes the entire agreement between the parties and supersedes all prior or contemporaneous agreements, written or oral, related to the subject matter of this Agreement.

**11. SIGNATURES**

The parties acknowledge that they have read, understood, and agreed to the terms of this Agreement.

**Client:**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Contractor:**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



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