



Serviap Global

Brazil Country Facts 2025





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Brazil Country Facts

Brazil remains one of the most dynamic economies in Latin America and an attractive market for international business expansion. Despite ongoing structural challenges, the country offers strong opportunities in renewable energy, technology, agriculture, and infrastructure.

1. Facts to Consider Before Expanding Your Business

Before expanding into Brazil, it is essential to understand the local economy, business laws, labor framework, and cultural aspects of doing business. Serviap provides high-level insights to help you evaluate opportunities and mitigate risks when entering the Brazilian market.

2. The Economy

Brazil has a mixed developing economy, ranking as the 12th largest in the world by nominal GDP and 8th largest by purchasing power parity (PPP).

- Nominal GDP (2024): ~USD 2.1 trillion (R\$ 11.7 trillion).
- GDP growth (2024): 3.4% compared to 2023 — the strongest rate since 2021.
- Sector performance: Services grew by 3.7%, industry by 3.3%, while agriculture fell by 3.2% due to adverse weather conditions.
- Household consumption: Up by 4.8% in 2024, reflecting strong internal demand.

Brazil is endowed with significant natural resources, including iron ore, gold, uranium, oil, and timber, along with vast agricultural and energy production capacity.

3. The Importance of Small and Medium-Sized Enterprises (SMEs)

SMEs (Small and Medium-Sized Enterprises) are vital to Brazil’s economy, accounting for approximately 62% of total employment and contributing significantly to social and economic inclusion. Brazil has a growing ecosystem of startups, incubators, and accelerators, creating space for innovation and investment.

The Federal Constitution grants SMEs preferential treatment through special tax regimes and simplified regulations, ensuring their survival and competitiveness in the domestic market.

4. Brazilian Opportunities and Investments

Brazil offers diverse opportunities for investors, particularly in renewable energy, infrastructure, agriculture, and technology.

- Renewable energy: Brazil is a global leader in clean energy, with ~85% of its electricity generated from renewable sources. Installed solar power capacity reached 53.9 GW by February 2025.
- Infrastructure development: The government provides tax incentives and benefits for fixed-asset investments in transport, sanitation, pipelines, and energy projects.
- Technology sector: Companies in IT and technology benefit from payroll tax reductions and incentives for R&D, patents, and new product development.

5. Characteristics of the Brazilian Population

Demographics

- Estimated population (2024): 212.6 million.
- Brazil is the third largest immigrant destination in the Western Hemisphere, after the United States and Argentina.
- The consumer market is predominantly young: nearly 50% of the working-age population is between 15–34 years old.
- Median age: 33.5 years.
- São Paulo’s metro system transports over 3.5 million passengers daily, ranking among the most modern and efficient in Latin America.

Geography

- Brazil is the largest country in South America, bordered by the Atlantic Ocean.
- It shares land borders with every South American country except Chile and Ecuador.
- São Paulo and Rio de Janeiro are two of the world’s largest metropolitan areas, acting as cultural, financial, and industrial hubs.
- The state of São Paulo alone accounts for nearly 50% of Brazil’s GDP, with strong specialization in manufacturing, services, and finance.



6. Consumer Preferences

Following the 2015–2016 recession and more recent global economic challenges, Brazilian consumers have become more cautious and price-sensitive.

- 3 out of 4 consumers actively search for the best discounts and competitive prices before making a purchase.
- Brand loyalty remains important: ~35% of Brazilians prefer trusted brands, but a large portion are willing to switch brands for savings. Around 21% of consumers are open to switching, compared to the global average of 12%.
- This presents high potential for competitive goods and cost-effective services, as once consumers switch to a brand, they are less likely to switch back.

7. Economic Opportunities

Workforce and Laws

- Brazil's unemployment rate has fallen significantly since the pandemic. As of 2024, unemployment stands at 7.6% (IBGE), a major improvement from double-digit levels in 2017.
- The 2017 Labor Reform introduced new types of employment contracts and more flexible termination rules, which remain in effect.

Human Talent

- Brazil has a highly skilled and diverse workforce. Investments in education and professional training over the last two decades have expanded talent availability.
- Around 67% of the population is of working age, offering access to a broad and multicultural labor pool.

Technological Ecosystem

- Brazil has one of the largest tech ecosystems in Latin America, with booming fintech, agritech, and e-commerce sectors.
- The government continues to invest in digital infrastructure and innovation hubs.
- E-commerce reached USD 42 billion in sales in 2024, positioning Brazil as one of the top 10 global e-commerce markets.

Facilities for Foreign Investment

- Brazil simplified foreign investment processes through the Direct Investment Ombudsman (OID), which acts as a single point of contact for foreign investors.
- It coordinates with all government agencies and works closely with international bodies such as the WTO to ease market entry.

8. Brazilian Culture

- Brazil is the only South American country where Portuguese is the official language.
- The country has a diverse cultural heritage shaped by Indigenous peoples, European colonization, and the African diaspora. Slavery was abolished in 1888, making Brazil the last country in the Americas to do so.

- Music and festivals are central to daily life, with samba, bossa nova, and funk carioca being globally recognized.
- Carnival is Brazil's most famous cultural event, with millions of locals and tourists gathering for parades, music, and dancing in major cities each year.



General Highlights

Field	Details
Year	2025
Country	Brazil
Capital	Brasília
Num. States / Provinces	26 states and 1 Federal District
Principal Cities	São Paulo, Rio de Janeiro, Brasília
Language	Portuguese
Local Currency	Brazilian Real (BRL)
Major Religion	Predominantly Christian (largest denomination: Catholic)
Date Format	DD-MM-YYYY
Thousands Separator Format	999,999.00
Country Dial Code	55
Population	~212.6 million (IBGE estimate, 2024)
Border Countries	Argentina, Bolivia, Colombia, Guyana, French Guiana, Paraguay, Peru, Suriname, Uruguay, Venezuela
Continental Surface	8.516 million km ²
Tax Year	January 1st to December 31st
VAT % (ICMS)	State VAT ranges from 17%–20%, average ~18% (varies by state)
Minimum Wage (2025)	BRL 1,502.00/month (~USD 280)
Taxpayer Identification Number	CNPJ – National Register of Legal Entities
Current President	Luiz Inácio Lula da Silva (since 1 Jan 2023)

What you need to know about employing personnel in Brazil

1. Laws That Regulate Labor Relationships

Laws
Federal Constitution of Brazil (1988)
Consolidation of Labor Laws (CLT – Consolidação das Leis do Trabalho)
Collective Bargaining Agreements and Collective Work Agreements

2. Key Tax and Labor Authorities

Authorities
Ministry of Labor and Employment (Ministério do Trabalho e Emprego – MTE)
Brazilian Federal Revenue Service (Receita Federal) – for tax and social security contributions

3. Labor Contracts

The individual employment contract is the formal or tacit agreement that establishes the employment relationship between employer and employee.

- For hiring purposes, employers cannot require proof of prior work experience longer than 6 months for the same activity.
- Employment contracts may be established orally or in writing, for fixed or indefinite periods, or for intermittent work (introduced in the 2017 Labor Reform).
- All contracts must be registered in the employee’s work card (Carteira de Trabalho Digital), which serves as official proof of employment.



Types of Contracts

Type	Description
Indefinite contract	The most common type of employment in Brazil. It has no fixed end date and must comply with all rules under the Consolidation of Labor Laws (CLT). Termination requires proper notice and payment of severance according to law.
Fixed-term contract	Valid only under specific conditions: • Services of a temporary or transitory nature • Temporary commercial activities • Experience contracts (maximum 90 days) The maximum duration for a fixed-term contract is 2 years. Employees hired temporarily or as a replacement are guaranteed reinstatement to their previous position at the end of the contract.
Intermittent contract	Introduced by the 2017 Labor Reform, this contract covers non-continuous services with alternating periods of work and inactivity. It must be in writing and clearly state working hours. Employees are paid immediately at the end of each service period, covering: 1. Remuneration 2. Proportional vacation + 1/3 bonus 3. Proportional 13th salary 4. Paid weekly rest 5. Legal contributions (FGTS, INSS)

Basic Requirements

According to Article 10 of the Consolidation of Labor Laws (CLT), an employment contract in Brazil must include at least:

- Place and date of the contract
- Employee’s nationality, date of birth, and personal details
- Job title, description of duties, and place where services will be provided
- Amount, method, and frequency of salary payment
- Duration and distribution of the workday (in line with company policies and CLT provisions)
- Term of the contract (if fixed-term or temporary)
- Any other agreements mutually established by the parties

4. Payroll

Payroll is one of the most important obligations for employers in Brazil, covering not only base salary but also statutory benefits mandated by law.

Statutory Benefits in Brazil

Employers must pay salaries and benefits established by the CLT, collective bargaining agreements, and employment contracts. Labor benefits are designed to guarantee minimum living conditions, reduce expenses, and support workers’ cultural and social development.

Salary	Minimum wage (2025): BRL 1,502/month (~USD 280) – applicable nationwide. Salaries must be sufficient to cover essential needs such as housing, food, education, healthcare, clothing, hygiene, transportation, and social security. Salaries are periodically adjusted by law to maintain purchasing power. Payment must be proportional to the nature, complexity, and quantity of the work performed. Discrimination prohibited: It is illegal to differentiate pay based on gender, age, race, marital status, or any other discriminatory factor (Federal Constitution, Art. 7). Salaries must be paid at least once per month (maximum period allowed is one month). Payment in kind is allowed only if it benefits the worker (e.g., housing, meals) but cannot replace the cash portion of wages. Salaries must always be paid in local currency (BRL).
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Vacations	Every employee is entitled to annual paid vacation after 12 months of service, as established by the CLT (Art. 129). Vacation days depend on the employee’s number of unjustified absences during the year: <table><tr><th>Unjustified Absences (per year)</th><th>Vacation Days Granted</th></tr><tr><td>Up to 5</td><td>30 days</td></tr><tr><td>6 to 14</td><td>24 days</td></tr><tr><td>15 to 23</td><td>18 days</td></tr><tr><td>24 to 32</td><td>12 days</td></tr><tr><td>33 or more</td><td>No vacation entitlement</td></tr></table> Absences due to maternity leave, sick leave (covered by INSS), work accidents, company-justified reasons, or preventive suspension do not reduce vacation entitlement (CLT, Art. 131). Vacations must be granted within 12 months following the accrual period (CLT, Art. 134). Employers must notify employees of their vacation at least 30 days in advance (CLT, Art. 135). If the employer fails to grant vacation within the legal deadline, payment must be made in double (CLT, Art. 137). Vacation Bonus Employees are entitled to receive their regular salary during vacation, plus an additional vacation bonus of one-third (1/3) of monthly salary (CLT, Art. 142). Employees may choose to convert 1/3 of their vacation days into cash allowance (known as abono pecuniário) — must be requested at least 15 days before the end of the accrual period (CLT, Art. 143).	Unjustified Absences (per year)	Vacation Days Granted	Up to 5	30 days	6 to 14	24 days	15 to 23	18 days	24 to 32	12 days	33 or more	No vacation entitlement
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24 to 32	12 days												
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13th Month Salary (13º Salário)	In Brazil, the 13th-month salary is mandatory by law (Law No. 4,090/1962 and Law No. 4,749/1965). It is equivalent to one full month’s salary per year, calculated based on the employee’s December salary. Payment is made in two installments: - First installment: by 30 November (advance, 50%). - Second installment: by 20 December (remaining balance). In case of termination before year-end, the employee is entitled to a pro-rated 13th-month payment. During recruitment, employers must state clearly whether the offered salary includes or excludes the 13th salary, as it is a statutory benefit and not discretionary.												

Protection for Working Women	Brazilian labor law provides specific protections for women, particularly during pregnancy, maternity, and breastfeeding, under the CLT and Federal Constitution. Working hours: Women’s working hours are the same as men’s (8 hours/day), except where shorter hours are contractually agreed (CLT, Art. 373). Breastfeeding facilities: Workplaces with 30+ female employees aged 16+ must provide a suitable place for childcare and breastfeeding support. Pregnancy & marriage protection: Termination of employment cannot be justified on grounds of pregnancy or marriage. Job stability during pregnancy: Pregnant employees have provisional job stability from the confirmation of pregnancy until 5 months after childbirth, regardless of probation or contract type (Constitutional Amendment 10/1972; CLT Art. 391-A). Maternity leave: - Standard entitlement: 120 days (4 months) fully paid, funded by Social Security (INSS). - Extended entitlement: Up to 180 days for companies enrolled in the “Empresa Cidadã” program. Adoption leave: Employees adopting a child or obtaining judicial custody are entitled to 120 days of leave, regardless of the child’s age (Law No. 12,873/2013). In case of the mother’s death: The father or co-guardian is entitled to the remaining period of maternity leave. Breastfeeding breaks: Until the child is 6 months old, the mother is entitled to two 30-minute breaks per day during working hours.
Leaves (Paid Absences)	Employees in Brazil are entitled to certain short-term paid leaves (<i>CLT, Arts. 131–473</i>), without salary deduction: - Bereavement leave: Up to 2 consecutive days for the death of a spouse, ascendant, descendant, sibling, or a dependent registered with Social Security. - Marriage leave: 3 consecutive days. - Paternity leave: 5 consecutive days (Constitutional Amendment No. 20/2016; may extend to 20 days under the <i>Empresa Cidadã</i> program). - Blood donation: 1 day off every 12 months with proof of donation. - Voting leave: Up to 2 days, as required by law. - Military service: Time off to fulfill military obligations. - Exams: Paid leave on exam days for employees pursuing higher education. - Court appearances: Time off as necessary. - Union duties: Authorized leave when representing unions or Brazil in international labor organizations. - Prenatal medical appointments: Up to 2 days for the father/partner to accompany the pregnant employee. - Child medical care: 1 day per year to accompany a child under 6 years old to medical appointments. - Preventive cancer screening: Up to 3 days per year for properly documented preventive exams.

Employers' Contributions / Labor Cost

Employers in Brazil must contribute to several mandatory funds and benefits. These costs are not recoverable and represent a significant part of the payroll burden.

Category	Contribution / Tax	Rate (Employer)	Notes
Social Security (INSS)	Employer contribution	~20% of payroll	Funds pensions, sick leave, disability, maternity, retirement. Employees also contribute 7.5–14% (progressive).
FGTS – Severance Fund	Fundo de Garantia por Tempo de Serviço	8% of salary (monthly)	Deposited into employee FGTS account. Upon dismissal without cause, employer pays an additional 40% fine on FGTS balance (+10% to social security).
Labor Accident Insurance (SAT/RAT)	Accident risk contribution	1% – 3% of payroll	Rate depends on company risk classification (low, medium, high).
Social Assistance (Third-Party Contributions)	SENAC, SESC, SENAI, SESI, SEBRAE, INCRA	~5.8% of payroll	Funds vocational training, social services, small business support, and agrarian reform programs.
Federal / Municipal Taxes	IRPJ, CSLL, PIS, COFINS, ISS	Varies (2–5% ISS; others based on income/profit)	Levied on corporate income and services; finance social security and welfare programs.

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5. Workday and Holidays

Working Hours

- Standard working hours in Brazil are 8 hours per day and 44 hours per week (CLT, Art. 58).
- Collective bargaining agreements may reduce hours or adjust schedules.
- Employees are entitled to a weekly rest of 24 consecutive hours, preferably on Sundays (CLT, Art. 67).
- Overtime must be paid with a minimum 50% premium above the normal hourly rate (CLT, Art. 59).
- Night work (10:00 p.m. to 5:00 a.m.) must be paid with at least a 20% premium over the regular hourly rate (CLT, Art. 73).

Typical Work Shifts

Type of Work Day	Working Hours per Day	Overtime	Sundays
Day shift	8:00 – 17:00	+50% of salary	Paid weekly rest on Sunday
Night shift	22:00 – 5:00	+50% of salary	+20% night premium
Mixed shift	Covers day & night	+50% of salary	Night rules apply to hours between 22:00 – 5:00

Public Holidays in Brazil (2025 – National Level)

Date	Holiday Name
January 1	New Year’s Day (Confraternização Universal)
April 18	Good Friday (Paixão de Cristo)
April 21	Tiradentes Day (Dia de Tiradentes)
May 1	Labor Day (Dia do Trabalhador)
September 7	Independence Day (Dia da Independência)
October 12	Our Lady of Aparecida (Nossa Senhora Aparecida) – Patroness of Brazil
November 2	All Souls’ Day (Dia de Finados)
November 15	Proclamation of the Republic (Proclamação da República)
December 25	Christmas (Natal)

Note: In addition to these 9 national holidays, states and municipalities in Brazil may establish their own local holidays (e.g., São Paulo City Anniversary, Carnival, Corpus Christi). These are widely observed but not mandated nationally.



6. Employee Termination

Grounds for Termination by Employer (Just Cause – CLT Art. 482)

An employer may terminate an employment contract for “just cause” in cases such as:

- Misconduct or dishonesty.
- Unauthorized business activity that competes with the employer.
- Criminal conviction of the employee.
- Negligence or lack of performance of duties.
- Habitual drunkenness or intoxication at work.
- Violation of company secrecy.
- Acts of insubordination or indiscipline.
- Abandonment of work.
- Acts detrimental to the honor or reputation of the employer, co-workers, or third parties (except in self-defense).
- Physical aggression against the employer or colleagues (except in self-defense).
- Constant gambling during work hours.

Termination for just cause results in loss of certain benefits, including severance, 13th salary, and proportional vacation pay.

Grounds for Termination by Employee (CLT Art. 483)

Employees may resign with cause and claim compensation when:

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- Work requires excessive physical effort beyond legal limits or is contrary to good morals.
 - The employee suffers mistreatment or excessive rigor from the employer.
 - There is imminent danger or unsafe working conditions.
 - The employer breaches contractual obligations.
 - The employer or managers commit acts against the employee’s honor, family, or physical integrity (except in self-defense).
 - The employer unilaterally reduces the employee’s workload in a way that impacts wages significantly.

Job Stability (CLT Art. 492)

- Employees with more than 10 years of service cannot be dismissed without proven serious misconduct (justa causa) or force majeure.

Termination Payments (Rescisão Contratual)

At the end of the employment relationship, employees are entitled to settlement of pending amounts, depending on the type of termination:

Voluntary resignation / Termination with just cause: Employee receives:

- Proportional salary up to termination date.
- Proportional vacation pay (including +1/3 bonus).
- Proportional 13th-month salary.
- FGTS deposits remain, but employee cannot withdraw unless for permitted reasons (e.g., housing, retirement).

Dismissal without cause. Employer must pay:

- Salary balance.
- Proportional vacation + 1/3.
- Proportional 13th salary.
- FGTS deposits + 40% penalty on the total FGTS balance.
- Prior notice (30 days + 3 days per year of service, capped at 90 days).

Termination by mutual agreement (CLT Art. 484-A):

- Employee receives 50% of notice and 20% FGTS penalty.
- May withdraw up to 80% of FGTS balance.

Special Rules

- Employees dismissed after more than 12 months of service are entitled to proportional vacation, even if not yet acquired (CLT, Art. 146).
- The trial period (up to 90 days) allows termination without severance.
- Compensation varies depending on whether the salary is calculated monthly, daily, or hourly (25 working days/month; 200 hours/month).



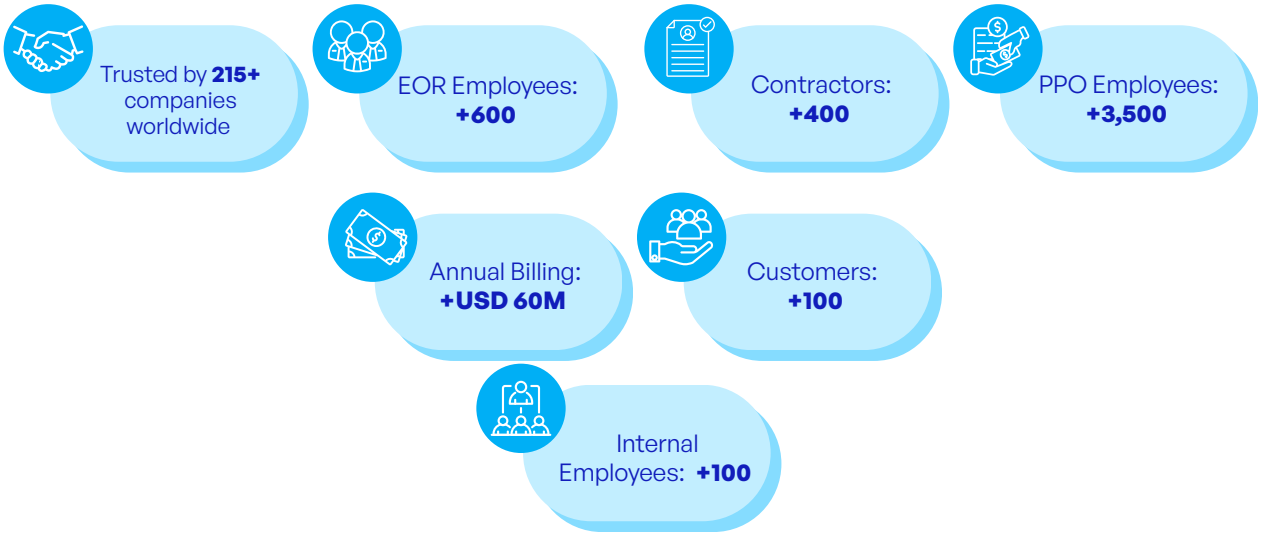
A man is shown in profile, working on a laptop. The background is a dark blue, semi-transparent overlay featuring several floating video call windows. Each window shows a different person, suggesting a global team or a virtual meeting. The overall aesthetic is modern and tech-oriented.

How Serviap Global Supports Your Expansion

Who we are?

Serviap Global, headquartered in Mexico City, brings over 25 years of local HR expertise and **15 years as a global Employer of Record (EOR) leader.**

With teams across the Americas, Europe, and Asia, we help companies build international teams without the complexity of foreign entities or regulations.



Our Solutions

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At Serviap Global, we provide comprehensive HR and workforce solutions to help companies expand and manage teams anywhere in the world.



How We Help You Hire and Onboard Talent

At Serviap Global, we simplify your international hiring process by managing every step , from contract creation to onboardin, ensuring full legal compliance in each country.

Below is an overview of our standard onboarding process for new hires, whether local or foreign:

Step	Description	Estimated Timeframe
1. Validate Onboarding Data	We verify candidate information and prepare the Service Order for client review.	2 business days
2. Formalize Service Order & Payment	The process begins once the Service Order is signed and advance payment is received.	2 business days (depending on client response)
3. Create Onboarding Documents	Draft job offer and employment contract.	1–2 business days
4. Send Documents to Candidate	Deliver approved documents to the candidate.	1 business day
5. Candidate Response	Candidate reviews, signs, and provides personal documentation.	2–4 business days
6. Confirm Acceptance & Finalize Onboarding	Receive signed documents and complete onboarding.	1 business day

Please note: timelines may vary depending on country-specific requirements such as background checks, pre-employment medical exams, or visa processing.

Why partner with us?

- **15+ Years of Expertise:** Proven track record in global expansions across 180+ countries.
- **LATAM Specialists:** Deep local knowledge for seamless hiring in high-growth regions.
- **Full Compliance & Agility:** Handle regulations so you can focus on business growth.
- **Human-Centered Support:** Multilingual team provides personalized, responsive service.
- **Cost-Effective Solutions:** Save on setup and operations with tailored, scalable plans.
- **All-in-One Platform:** Serviap Hub for total control and visibility.
- **Client-Driven Success:** 4.7/5 satisfaction, trusted by 215+ companies.
- **Value Differential:** Unlike competitors, we combine tech with human expertise for faster, more reliable global expansion.

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