

**CHANGES IN THE CIVIL CODE AND OTHER LAWS PROMOTED BY LAW No.
14,195/2021**

In addition to the changes promoted in the Corporations Law and in the Code of Civil Procedure, Law No. 14,195/2021 also changed certain provisions of Law No. 10,406/2002 ("Civil Code"), which are:

- (i) The intercurrent prescription (prescrição intercorrente), during the course of the execution process, will observe the same prescription period of the object of the claim;
- (ii) The figure of simple company (sociedade simples) is extinguished, with new general company rules being included that must be observed by all business companies; and
- (iii) The figure of the Individual Limited Liability Company ("EIRELI") is also extinguished, with the consequent replacement of the existing EIRELIs by Single Personal Limited Companies ("SLU").

With respect to item (iii) above, it is worth noting that the process of transforming EIRELIs into SLUs will be automatic and shall be conducted by the Boards of Trade (or Legal Entities Registry Offices, as the case may be) which will follow the legal instructions of the National Department of Registration Business and Integration ("DREI").

On September 9, 2021, DREI issued the Official Letter SEI No. 3510/2021/ME ("Official Letter"), informing, among other things, that the process of changing the databases will be started and shall occur in an integrated basis.

According to the aforementioned Official Letter, the initial steps will be:

- opening of a request for special verification to transform the Corporate Taxpayers Registry (Cadastro Nacional da Pessoa Jurídica), contemplating the change of the identifying acronyms (i.e., from "EIRELI" to "LTDA") in the corporate name included in the Corporate Taxpayers Registry of the already existing EIRELIs; and
- changing of the description code of the respective legal natures (from 230-5/Individual Limited Liability Company to 206-2/Limited Liability Company).

Furthermore, DREI still listed further guidelines to be followed by the Boards of Trades until the above-mentioned process is fully implemented, restrictive to the informational content of the changes, as well as the information about the automatic change of the business type, the wide publicity about the extinction of the EIRELIs and the prohibition of filing new

companies in the referred modality, without prejudice to the receipt of documents related to changes and extinction of EIRELIs.

Another relevant change reaches the Brazilian Securities Exchange Commission (Comissão de Valores Mobiliários), which becomes a legitimate party to file Public Civil Actions for damages caused to investors in the securities exchange market, together with those harmed and the Public Prosecutor's Office, changing, therefore, Law No. 7913, of December 7, 1989.

Finally, it is also worth mentioning that the referred law reduced bureaucracy in the processes of issuing licenses and permits from regulatory agencies and health agencies, so that, from now on, it is possible to automatically issue licenses and operating permits for companies whose activities performed are considered medium risk activities. Previously, these licenses were automatically issued only for companies whose activities were classified as low risk.

For the issuance of such license/permit, state and municipal legislation will be observed or, in their silence, the definition included in the REDESIM (National Network for the Simplification of Registration and Legalization of Companies).

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