Brazil

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Brazil has a tropical climate and contains the world's second largest area of forest. The country is a major producer of timber and timber products. The States of Pará and Mato Grosso are the highest timber producers in the country, and the state of Rondônia is also a significant timber producer. In 2020, Brazil's Amazon experienced the highest level of deforestation in over a decade. The increased **illegal deforestation and logging is largely connected to environmental and organized crime** operating in the Amazon region. Recently, Brazil's national and state governments have taken steps to combat illegal logging. In 2020, Mato Grosso established the **Strategic Committee to Combat Illegal Deforestation, Illegal Forest Exploitation and Forest Fires (CEDIF-MT).** In 2023, the **Action Plan for Deforestation Prevention and Control in the Legal Amazon (PPCDAm) was reestablished** with the goal of achieving zero deforestation in the Amazon by 2030 and looking to establish important measures for Cerrado (Brazilian savannas). Despite these efforts, Brazil's **timber harvesting, production, and exports are at high risk of illegality**.

Forest Management

Forest Governance

Forests in Brazil are publicly and privately owned. The management of forests for commercial purposes occurs on private land, through forest concessions in public forests, and by traditional communities.

The following agencies/ministries oversee regulation and management of forest lands and products in Brazil:

- **Ministry of Environment and Climate Change (MMA):** Formulates and implements national forest policies.
- **Brazilian Forest Service (SFB):** Serves as the federal government agency responsible for managing public forests and forest concessions.
- **Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA):** Federal agency tasked with forest enforcement measures, implements natural resources use policies and permits, conducts environmental monitoring, and authorizes natural resources use.
    - IBAMA manages several platforms alongside the Brazilian Forest Service that are involved in combating illegal logging and associated trade, such as the Forest Origin Document (DOF), Annual Operation Plan (POA), Rural Environmental Registry National System (Sicar), National System for Controlling the Origin of Forest Products (Sinaflor), Environmental Rural Registry (CAR).
- **Chico Mendes Institute for Biodiversity Conservation (ICMBio):** Manages federal conservation units and national conservation centers.
- While there are federal forest policies and regulations, States implement additional laws (through the State Secretariat for the Environment known, in general, as SEMA) for forests

within their boundaries. SEMAs are responsible for managing forests and concessions within States and oversee forest policy implementation at the state level. As the largest timber producing states, **Pará** and **Mato Grosso** have implemented their own timber traceability system, SISFLORA, aside from the federal DOF system.

Transparency

For information regarding transparency and risk scores in Brazil, head to these links:

- **Transparency International's Corruption Perceptions Index**
- The World Bank's **Worldwide Governance Indicators**

Laws and Regulations

Forest Laws

Being the primary timber producer, the Amazon takes center stage in this profile, yet it's essential to note that regulations and processes may vary across different regions in Brazil.

- **Law No. 12.651 on the protection of Native Forests (2012):** Enacted to regulate and protect native forests, promote sustainable use of forest resources, and manage harvesting forest products and byproducts. This law is the primary Forest Code (repeals Forest Code **Law No. 4771/1965**) and includes regulations on environmental licensing for forest harvesting, requirements for commercial forest activities and sustainable forest management plans (PMFS), mandates specific registration for commercial harvesting, and details transportation requirements. See Chapter VII: *Of The Forest Exploration* for specific licensing requirements for harvesting forest products.
- **Law No. 14.590 (2023)** (Amends Public Forests Management Law **Law No. 11.284 (2006)**): Provides detailed measures for the management of public forests for sustainable production. The Law allows for forest concessions in native forests, plantations, and in protected areas and establishes requirements for concessionaires regarding contracts, sustainable forest management plans (PMFS), licensing, and illegal deforestation. The 2023 Law expands provisions on carbon credits and concessions. The 2006 Law also establishes the Brazilian Forest Service and its authority over managing public forests, promoting sustainable timber and forestry activities, and creating programs to address processing and harvesting forest products (Article 55).
- **CONAMA Resolution 406 (2009)**: Provides technical information on implementing PMFS and establishing a chain of custody system for forest products harvested from concessions and public forests. The licensing requirements for forest concessions include documents such as Authorization for Exploration (AUTEX) and an Annual Operational Plan (POA) (Articles 15 & 16).
    - In Pará, **Normative Instruction No. 05 (2015) DOE** provides technical assistance for the establishment and approval of Sustainable Forest Management Plans (PMFS) and Annual Operational Plans (POA) in native forests. This instruction requires timber companies involved in harvesting activities to hold a separate operating authorization known as AUTEF.
- **Normative Instruction No. 16/2011** and **Normative Instruction No. 05/2022**: Regulates the approval of community-managed Sustainable Forest Management Plans

(PMFS) (under ICMBio responsibility) for commercial timber harvesting in Extractive Reserves, Sustainable Development Reserves, and National Forest.

Processing/Manufacturing Laws

- **Law No. 6.938 (1981)**: Timber companies must be registered with IBAMA's technical register, **Federal Technical Register (CTF)** (Article 17). IBAMA must issue the appropriate environmental licenses before timber processing activities are carried out, including transportation and storage. Registration with CTF is required to obtain a DOF for transport and exporting forest products and byproducts.
- **SFB Resolution 06/2010**: Establishes a chain of custody system for timber harvesting in forest concessions. This Resolution includes details on handling processed forest products (Article 17).
- **Normative Instruction No. 21/2014**: Processing forest products must be reported to the Sinafor system (Article 54). Stipulations on the measurement of different forest products and processing are outlined in Subchapter VI *Conversion and Final Destination*.

Transport Laws

- To transport or store forest products or byproducts, **Normative Instruction No. 16 (2022)** requires that all forest products or byproducts must have a Forest Origin Traceability Document (DOF+), issued by IBAMA, from its origin to its destination. The DOF+ system is established under this normative instruction and is an improved version of the DOF system created by **MMA Ordinance 253/2006** and **Normative Instruction No. 21 (2013).**
- **Law No. 12.651 on the Protection of Native Forests (2012)**: Mandates that a person or company must be registered in the IBAMA **Federal Technical Register (CTF)** before obtaining a DOF+ for forest products and byproducts. The DOF+ must contain the following information: specification of material, its volume, origin, and destination.
- Pará and Mato Grosso have their own traceability licenses, but Yards in these respective states must be registered in the DOF+ system to receive cargo **(Normative Instruction No. 16 (2022)**). These licenses are called Guia Florestal (GFs) and are integrated into the DOF system. For laws on GFs in Pará and Mato Gross, see the following:
    - **SEMA Normative Instruction No. 01 (2022)**: Provides procedures for the transportation and export of forest products and byproducts from the state of Pará. Transportation authorization is formalized through the issuance of a Guia Florestal (GF). See Chapter II *Forest Guides* for details on the applicable GF for different forest products and byproducts.
    - **Decree No. 8189 (2006)**: Regulates Guia Florestal (GFs) for the transportation and export of forest products and byproducts in the State of Mato Grosso. This decree defines the forest products for each GF and required procedures for the legal transport of forest products and byproducts.
- **Decree No. 5975 (2006)**: Establishes the requirements for transport and storage of forest products and byproducts. A transport license issued by IBAMA and the Ministry of the Environment must accompany forest products from origin to storage. See Chapter VI *The License to Transport Products and Forest Byproducts of Native Origin* for valid documentation and licensing details.

- **Decree No. 6759 (2009)**: Article 435 requires export registration through SISCOMEX (Single Foreign Trade Portal).

Tax Laws

Taxation differs based on harvesting from native forest or plantations.

According to **Law No. 11.284 (2006)**, concessionaires must pay Annual Minimum Value (VMA) as well as taxes based on the wood volume harvested from concessions in public forests (Section X). Additional charges or taxes can be incurred through the analysis and approval of sustainable management plans, audits, and obtaining permits (Section XII). Additionally, rural landholders (individual or companies) with forest concessions may be subject to financing environmental conservation measures through the Rural Land Property Tax for any properties with Legal Reserve, Permanent Preservation, and Restricted Use Areas (Article 41). There are **no royalties or taxes concerning harvesting in plantations.**

- **Decree No. 11.158 (2022)**: Establishes tax incidence for industrialized products, such as wood products.
- **Decree No. 9580 (2018)**: Establishes regulations regarding taxation and income tax earnings on rural activities, including commercialized forestry harvesting.
- **Decree No. 6759 (2009)**: Regulates Customs activities as well as taxing foreign trade operations.

Trade Laws

- **Normative Instruction No. 08/2022**: The export of wood products and byproducts of native origin must comply with and obtain authorization from the IBAMA unit which has jurisdiction over the appropriate Customs warehouse. A DOF must be obtained before receiving export authorization through Licenses, Permissions, Certificates, and Other Documents (LPCO)-Exportation module, and when applicable, the exporter must also obtain a CITES license from SISCITES (Article 2). For details on the documents and licenses required to export forest products and byproducts, see Article 4. (Amends **Normative Instruction No. 13/2018**).
- **Normative Instruction No. 21/2014**: Requires timber companies to register with the National Control System of the Origin of Forest Products (Sinaflor) and includes information on the process for obtaining a DOF license and importing and exporting, transporting, and forest product management regulations. For native forest products of foreign trade, a specific DOF is issued for Customs (Article 58).

Criminal Laws

Law No. 9.605/1998 (Environmental Crimes Act) specifies forest-related crimes and issues penalties. Particularly, *Crimes Against Plants* (Section II) and *Administrative Violations* (Chapter VI) detail activities related to illegal logging, deforestation, improper environmental licensing, sale and transport. **Decree No. 6.514/2008** establishes additional penalties and offenses outlined in Environmental Crimes Act (Amended by **Decree No. 11.080 (2022)** and **Decree No. 11.373 (2023)**).

CITES

The **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)** is an international agreement among governments whose purpose is to ensure that the international trade of wild animals and plant species does not threaten the survival of these species. It is up to each country to draft their own domestic legislation to comply with its CITES obligations. Brazil signed onto the Convention in 1975 (**Decree 76.623/1975**).

Species under the protection of CITES are listed under three Appendices based on how threatened they are by international trade. The species listed in Appendix I are the most endangered and international trade of these species is prohibited unless the purpose of import is noncommercial. The species listed in Appendix II are tightly controlled in international trade and may be authorized with an export permit or re-export certificate. Appendix III lists species at the request of a Party that needs other countries' cooperation to regulate the trade in the species. International trade in Appendix III is allowed with appropriate permits or certificates. **Normative Instruction No. 01/2014** provides a list of species in CITES Annex I, II, and III.

If you don't know if the species you are interested in sourcing from this country is CITES listed, please check this **link**. If the species is listed, please use this **database** to identify the National CITES Authority. In Brazil, the CITES managing authority is the Ministry of Foreign Affairs. The Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) is the only managing authority with the ability to grant CITES permits.

Forest Resources

Resources Overview

In 2010, Brazil had **492 Mha of natural forest**, extending over 59% of its land area.

According to **Law No. 12.651**, **No. 11.284** and **No. 9985**, forest resources are divided among public and private forests:

- **Public Forest**: Native or planted forests under the jurisdiction of the State in any capacity.
  - **Forest Concessions**: Granted to legal entities on public domain that allows for the harvesting of forest products if the company or individual practices sustainable forest management and reforestation efforts.
  - **Sustainable Use Units**: Areas that promote nature conservation and the sustainable use of parts of natural resources. These units include environmental protection areas, areas of relevant ecological interest, national forests, extractive reserves, fauna reserves, sustainable development reserves, and private natural heritage reserves.
  - **Integral Protection Units**: Areas intended for the preservation of nature where only the direct use of natural resources is permitted. These units include ecological stations, biological reserves, national parks, natural monuments, and wildlife refuges.
- **Private Forest**: Privately owned native forests or plantations.
  - **Legal Reserves**: Located on rural property that allows for the economic use of natural resources through protection and conservation measures. Every rural property must maintain a legal reserve.
  - **Permanent Preservation Areas (APP)**: Protected areas intended to preserve water resources, landscape, geological stability, and biodiversity.

Contacts

Below are incomplete lists of government ministries, industry associations, civil society groups, and research institutes involved with forestry, trade, and efforts to combat illegal logging and associated trade.

Industry Associations

- **National Forum for Forest-Based Activities**
- **Brazilian Tree Industry (Ibá)**
- **Brazilian Pulp and Paper Technical Association (ABTCP)**
- **Brazilian Association of the Mechanically Processed Wood Industry (ABIMCI)**
- **Brazilian Furniture Manufacturers Association (ABIMÓVEL)**

Civil Society Organizations

- **Greenpeace**
- **Institute of Forest and Agricultural Management and Certification (IMAFLORA)**
- **Forest Stewardship Council (FSC) Brazil**
- **The Nature Conservancy (TNC) Brazil**
- **World Wide Fund for Nature (WWF) Brazil**
- **Rainforest Alliance**

Research Institutes

- **Amazon Environmental Research Institute (IPAM Amazônia)**
- **Amazon Institute of People and the Environment (IMAZON)**
- **Igarapé Institute**

Government Ministries

- **Ministry of Environment and Climate Change (MMA)**
- **Brazilian Forest Service (SFB)**
- **Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA)**
- **Chico Mendes Institute for Biodiversity Conservation (ICMBio)**
- **Ministry of Finance (ME)**
- **Ministry of Agrarian Development and Family Farming (MDA)**
- **Ministry of Agriculture and Livestock (MAPA)**

References and Resources

For more information regarding forest legality in Brazil, head to these links from our partners:

- **Global Forest Watch (GFW) Country Profiles**
- **FAO (2020) *Global Forest Resources Assessment: Brazil***
- **Preferred By Nature - Timber Sourcing Hub: Brazil**
- **FAO TimberLex**
- **Chatham House - Forest Governance and Legality (Brazil)**
- **Forest Trends - Illegal Deforestation and Associated Trade (IDAT) Risk: Brazil**
- **Timber Trade Portal – County Profile: Brazil**
- **BVRio (2017) *Practical Guide to Conducting Due Diligence of Tropical Timber Products*: Brazil**
- **Madera Legal – Country Risk Assessment**