

22 May 2023

Andrea Pereira Macera
Secretary of Competitiveness and Regulatory Policy (SCPR)
Ministry of Development, Industry, Commerce and Services (MDIC)

Ref: CONSULTA PÚBLICA Nº 1, DE 3 DE ABRIL DE 2023: PLANO DE REDUÇÃO DE CUSTOS DO BRASIL 2023-2026

Dear Andrea Pereira Macera,

On behalf of the TIC Council Americas, the U.S. branch of the TIC Council, the global trade federation representing the independent third-party Testing, Inspection and Certification (TIC) industry we commend the efforts of the Secretary of Competitiveness and Regulatory Policy (SCPR) and the Ministry of Development, Industry, Commerce and Services (MDIC) to improve the regulatory environment in Brazil and to convene interested parties to public consultation. The TIC Council is pleased to provide recommendations on how regulations in Brazil can be enhanced to foster a competitive and dynamic economy. Furthermore, in this brief commentary, we hope to provide a better understanding of how the promotion of a robust quality infrastructure system - including the participation of independent conformity assessment bodies - will coincide with a reduction in regulatory burden over the long-term.

Expanding the role of independent conformity assessment organizations allows domestic companies to tap into international experience and expertise, as well as reduce internal compliance costs and achieve economies of scale. Brazilian companies can leverage highly specialized conformity assessment services rather than establishing them in-house and take advantage of internationally recognized testing, inspection, and certification to demonstrate quality, safety, and sustainability to customers and regulators around the world.

The incorporation, whenever possible, of existing international standards and conformity assessment schemes will reduce the cost and time-to-market for Brazilian manufacturers while opening new markets for their products. Independent third-party Conformity Assessment Bodies (“CABs”) have the expertise and experience to facilitate the development of regulatory programs and ensure the quick and reliable implementation of such programs.

Close coordination and cooperation with other jurisdictions to provide CABs with National Treatment will enhance the competitiveness of international trade with Brazil. National treatment reduces costs and time to market for manufacturers wanting to place their product in multiple markets, as it allows the manufacturer to streamline operations and procedures and have more choice when selecting a conformity assessment body. Similarly, aligning regulations with international standards whenever possible will ensure that the most recent version of the standard can be applied and promote regulatory efficiency and efficacy. As a growing number of governments adopt and implement regulations that require more stringent supply-chain due-diligence standards, alignment with international standards and providing CABs with National Treatment will ensure that Brazil will be able to fully take advantage of sustainability and ESG initiatives.

Furthermore, we believe that the presence of an independent and competitive third-party TIC sector is a key component of a robust quality infrastructure system. Expanding the role of independent third-

party CABs is an important component of reducing the regulatory burden on government while increasing compliance with existing or new standards. The use of supplier-declaration of conformity (SDoC) requires an expansive and well-funded surveillance system, increasing the regulatory burden on government. Unlike the supplier's declaration, the use of independent third-party CABs will give regulators more confidence in the conformity of products, processes, and services because Inmetro will be involved in the approval of these organizations. Expanding the use of independent third-party CABs, such as providing an option for the voluntary use of independent third-party CABs as part of an expedited compliance program in ports, will reduce the cost of surveillance for the government and facilitate streamlined inspection processes. This reduces the need for public funds and decreases the reliance on tax revenue.

Lastly, we would like to highlight the importance of fully implementing good regulatory practices (GRP). GRP include provisions for transparency, stakeholder participation, accountability, impact assessment, impartiality, and due process. These foundational policies function as a quality control mechanism for the development of regulations, fostering an open, fair, coherent, and predictable regulatory environment. They also help ensure policy objectives are more effectively met and barriers to trade minimized. We recognize that impact assessments and GRP, more generally, have become a priority for SCPR and we encourage their full implementation to establish a strong regulatory foundation for a competitive Brazilian economy. By promoting GRP and a robust quality infrastructure where independent third-party CABs play an important role in verifying both mandatory and voluntary standards, the Brazilian economy will be able to more effectively confirm the quality of goods, products, services, and processes produced domestically—in turn, increasing the international competitiveness of the Brazilian market.

We are grateful for the opportunity to contribute to MDIC's efforts to improve Brazil's regulatory environment and thank you for your consideration of our comments. If you have any questions, please contact Roberta Telles (rtelles@tic-council.org) or Benjamin Johnson (bjohnson@tic-council.org) at any time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hanane Taidi'.

Hanane Taidi
Director General
TIC Council

A handwritten signature in black ink, appearing to read 'Karin Athanas'.

Karin Athanas
Executive Director
TIC Council Americas
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