Memorandum of Understanding between
the Executive Secretariat of the Foreign Trade Council of the Federative Republic of Brazil and Casa Civil of the Federative Republic of Brazil, of the one part, and
the International Trade Administration of the United States Department of Commerce and the Office of Information and Regulatory Affairs of the United States Office of Management and Budget, of the other part,

Regarding Joint Cooperation on Good Regulatory Practices

The Executive Secretariat of the Foreign Trade Council of the Federative Republic of Brazil and Casa Civil of the Federative Republic of Brazil, of the one part,

and

the International Trade Administration of the United States Department of Commerce and the Office of Information and Regulatory Affairs of the United States Office of Management and Budget, of the other part,

(hereinafter referred to as “the Participants”), conclude this Memorandum of Understanding, recognizing:

- the mutual benefits created by greater economic and commercial cooperation between the Participants’ countries;
- the importance of transparent, evidence-based decision-making to improve regulatory outcomes and to facilitate trade between Brazil and the United States;
- that good regulatory practices can improve regulatory cooperation, contribute to the economic well-being of Brazil and the United States, further health, safety, and environmental protections for U.S. and Brazilian citizens, and improve competitiveness for businesses, especially for small and medium-sized enterprises (SMEs);
- the importance of public-private cooperation in advancing the adoption by governments of good regulatory practices; and
- the importance of affording meaningful and equal opportunities for all interested persons and entities to provide input on the development of regulations.

The Participants affirm the following:
Section I

Informational Exchanges

1. The Participants, under the United States – Brazil Commercial Dialogue and other related fora, including regulator-to-regulator dialogue, intend to coordinate efforts and build on and strengthen their cooperation in the promotion of good regulatory practices, including government-wide transparency, with a view to increasing mutual understanding of their respective systems and promoting bilateral commerce and investment.

2. The Participants share a common understanding that transparency in developing regulations, which for purposes of this Memorandum refer to legally binding measures of general applicability and future effect issued by the Executive Branch of the United States or Brazil, involves the implementation of practices that normally afford all interested persons and entities a meaningful opportunity to provide input on proposed regulations.

3. The Participants recognize other good regulatory practices in the development and promulgation of regulations that, *inter alia*:
   (i) rely on evidence-based decision-making;
   (ii) serve clearly identified policy goals and are effective in achieving those goals;
   (iii) have a sound legal and empirical basis;
   (iv) take into consideration the distribution of a regulation’s effects across society, including economic, environmental, and social effects;
   (v) minimize costs and market distortions;
   (vi) have benefits that justify their costs;
   (vii) promote innovation through market-based incentives and goal-based approaches;
   (viii) are clear, simple, and practical for users;
   (ix) are consistent with each Participant’s central government regulations and policies;
   (x) are compatible as appropriate with domestic and international competition, trade, and investment principles; and
   (xi) are consistent with international obligations.

4. The Participants intend to cooperate and exchange experiences on ways to ensure that laws, regulations, procedures, and administrative rulings of general application are promptly published so as to enable interested persons and entities and the other Participant to become acquainted with them.
5. The Participants intend to conduct joint cooperative activities, such as roundtables and seminars, which may include, *inter alia*, exchanges on good regulatory practices, such as:

(a) publishing in advance in draft form a regulation, including significant revisions or amendments to an existing regulation, that a Participant’s central government proposes to adopt;

(b) providing interested persons and entities and the other Participant a reasonable opportunity to comment on such proposed regulations;

(c) publishing, by electronic means, the proposed regulation, including an explanation of the purpose of and rationale for the proposal, in a single official journal of national circulation;

(d) normally providing an adequate comment period (e.g. 60 days) in order to provide interested persons and entities meaningful opportunity to understand how a regulation may affect their interests and to develop informed responses;

(e) addressing, at the time of publication of the final regulation, any significant and/or substantive issues raised in comments received during the comment period and explaining any substantive revisions;

(f) for significant regulations, publishing, along with the text of the proposed regulation, an estimate of the potential costs and benefits of the proposed regulation, such as through a regulatory impact assessment; and

(g) establishing and operating a central executive body to review, coordinate, and plan central-level regulatory policy.

Section II

Results Presentation

Outcomes or developments as a result of activities conducted pursuant to this Memorandum of Understanding (MoU) are expected to be presented at the United States – Brazil Commercial Dialogue meetings and may also be presented in other related fora.

Section III

General Clauses

1. Cooperation under this MoU begins on the date of signature by the Participants. This MoU is intended to cover activities for a period of four years and for any subsequent period as the Participants may decide in writing.
2. The Participants acknowledge that this MoU is not legally binding and is not intended to give rise to any rights or obligations under either domestic or international law. The Participants may jointly modify this MoU at any time in writing.

3. Either Participant may, at any time, notify the other in writing of its intention to discontinue its activities pursuant to this MoU, but intend to do so at least 90 days in advance of the discontinuation.

4. Each Participant intends to bear its own costs and expenditures incurred in connection with this MoU. The activities of each Participant in connection with this MoU are contingent on the availability of funds and other resources, and are subject to the laws and regulations that govern that Participant. No funds are obligated by this MoU.

5. The Participants intend to address any differences of opinion that may arise with respect to the MoU through consultation.

On behalf of the Executive Secretariat of the Foreign Trade Council of the Federative Republic of Brazil and Casa Civil of the Federative Republic of Brazil

Marcela Carvalho
Executive Secretary of the Foreign Trade Council

Marcelo Guaranys
Deputy Minister for Public Policies Casa Civil

On behalf of the International Trade Administration of the United States Department of Commerce and the Office of Information and Regulatory Affairs of the United States Office of Management and Budget

Gilbert B. Kaplan
Under Secretary of Commerce for International Trade

Neomi Rao
Administrator of the Office of Information and Regulatory Affairs

Sarah Kemp
Acting Deputy Under Secretary of Commerce for International Trade