MEMORANDUM OF UNDERSTANDING

between

The Secretariat of Competitiveness and Regulatory Policy of the Ministry of Development, Industry, Trade and Services of the Federative Republic of Brazil;

The Secretariat for Normative Acts of the Office of the Attorney General of the Federative Republic of Brazil;

The Office of Information and Regulatory Affairs of the Office of Management and Budget, Executive Office of the President of the United States;

and

The International Trade Administration of the United States Department of Commerce

Regarding Joint Cooperation on Good Regulatory Practices

This Memorandum of Understanding ("Memorandum") is between the Secretariat of Competitiveness and Regulatory Policy of the Ministry of Development, Industry, Commerce and Services and the Secretariat for Normative Acts of the Office of the Attorney General of the Federative Republic of Brazil, on the one side, and the Office of Information and Regulatory Affairs of the Office of Management and Budget, Executive Office of the President of the United States, and the International Trade Administration of the United States Department of Commerce on the other side (each side hereinafter referred to as a "Participant" and the two sides jointly as the "Participants").

WHEREAS:

i. the Protocol to the Agreement on Trade and Economic Cooperation Between the Government of the United States of America and the Government of the Federative Republic of Brazil Relating to Trade Rules and Transparency (the "Protocol"), signed at Washington and Brasilia October 19, 2020, an integral part of the Agreement on Trade and Economic Cooperation Between the Government of the United States of America and the Government of the Federative Republic of Brazil, signed at Brasilia March 19, 2011, sets out specific obligations and other provisions with respect to good regulatory practices, including contact points for its implementation;

ii. the Participants aim to promote and disseminate good regulatory practices, foster a culture of transparency and accountability in the regulatory process, and support implementation of the Protocol;

iii. transparent and evidence-based decision-making processes are important for improving regulatory outcomes and facilitating trade between Brazil and the United States;

1

iv. good regulatory practices can contribute to the economic well-being of both Brazil and the United States; promote health, safety, and environmental protections for the people of the United States and Brazil; and improve business competitiveness, especially for micro, small, and medium-sized enterprises; and

v. it is important to share information about innovations in regulatory policymaking, in particular by providing meaningful and equal opportunities for engagement to all persons and entities interested in contributing to the development of regulations.

THEREFORE the Participants affirm the following:

SECTION 1 Objectives

1.1. This Memorandum aims to provide a mechanism for mutual cooperation between the Participants in order to coordinate efforts for the promotion and dissemination of good regulatory practices, particularly through mutual assistance, exchange of information, and best practices, in support of implementation of the Protocol and with a view to increasing mutual understanding of their respective federal regulatory systems and promoting bilateral trade and investment.

1.2. The Participants recognize the benefits arising from collaboration, cooperation, and interaction, due to their institutional competencies regarding coordination, supervision, and implementation of operational and guidance actions related to the implementation of good regulatory practices in the federal government of each Participant.

1.3. The Participants, under the auspices of the Commercial Dialogue between Brazil and the United States and other relevant fora, including regulator-to-regulator dialogues, intend to coordinate efforts to build and strengthen their cooperation in promoting good regulatory practices, including transparency across government, with the aim of enhancing mutual understanding of their respective systems.

1.4. The Participants share the mutual understanding of the importance of transparency in the development of regulations, as set out, *inter alia*, in Article 9 of Annex II of the Protocol and as defined in Article 1 of Annex II of the Protocol and its Appendix, as well as the importance of the full implementation of that Annex.

1.5 Further to the good regulatory practices set out in the Protocol, the Participants recognize additional good regulatory practices for activities under this MOU, including that regulations:

i. rely on evidence-based decision-making processes;

ii. serve clearly identified policy objectives and are effective in achieving these objectives;

iii. consider the distributional effects of regulations on society, including economic, environmental, and social effects;

iv. minimize costs and market distortions;

v. provide benefits that justify their costs;

vi. encourage regulatory approaches that avoid unnecessary burdens and restrictions on innovation and competition in the marketplace;

vii. are clear, simple, and practical for users;

vili. do not create inconsistencies with existing regulations and policies of the federal government of each Participant;

ix. are compatible, where appropriate, with principles of national and international competition, trade, and investment;

x. are consistent with international obligations;

xi. promote aspects related to transparency and participation of regulated entities and users in the regulatory process;

xii. encourage predictability in the regulatory process for businesses and investors; and

xiii. encourage the adoption of emerging technologies and the digitalization of regulatory processes, thereby facilitating adaptation to technological changes and promoting greater efficiency and agility in interactions between regulators and regulated parties.

SECTION 2 Areas of Cooperation

2.1. Participants may cooperate on any matter proposed by either Participant that relates to the subject matter of this Memorandum, such as:

- a) promotion and dissemination of good regulatory practices;
- b) identification of improvements in regulatory processes;
- c) exchange of experiences in the performance of regulatory functions;
- d) exchange of information;
- e) organization of events, seminars, and meetings;
- f) actions aimed at engaging and involving diverse stakeholders, particularly civil society, academia, and the business community;
- g) sharing or creating technical materials; or
- h) implementation of pilot projects to test new regulatory approaches in controlled environments.

SECTION 3 Procedures for Cooperation

3.1. In order to facilitate the intended cooperative activities, the Participants designate the following points of contact:

- a) Secretariat of Competitiveness and Regulatory Policy
 - Regulatory Policy Department politicaregulatoria@mdic.gov.br
- b) Secretariat for Normative Acts of the Office of the Attorney General
 - <u>senor@agu.gov.br</u>
- c) Office of Information and Regulatory Affairs
 - US-BrazilRegulatoryCooperation@omb.eop.gov
- d) International Trade Administration
 - Brazil Desk BrazilDesk@trade.gov

3.2. The Participants expect that the outcomes or developments resulting from activities carried out under this Memorandum should be presented at meetings of the Commercial Dialogue between Brazil and the United States; they may also be presented at other relevant fora:

3.3 This Memorandum does not affect the obligations of Brazil and the United States under the Protocol. The Participants affirm that they will continue to coordinate all activities for implementation of the Protocol, including those related to this MOU, with their respective Contact Points designated under Article 18 of the Protocol.

SECTION 4 General Provisions

4.1. This Memorandum becomes operative on the date of last signature by the Participants and is intended to remain operative for a period of three (3) years, unless a Participant notifies the other Participant in writing of its intention to discontinue this Memorandum. The Participants may modify this Memorandum jointly at any time in writing.

4.2. This Memorandum is not legally binding and is not intended to create rights or obligations under national or international laws.

4.3. Either of the Participants may, at any time, notify the other Participant in writing of its intention to discontinue this Memorandum, but should endeavor to do so at least 90 days prior to discontinuation.

4.4. Each Participant intends to bear its own costs and expenses incurred under this Memorandum. The activities of each Participant related to this Memorandum are contingent upon the availability of funds and other resources and are subject to the laws and regulations governing that Participant. This Memorandum does not require any funding.

4.5. The Participants intend to resolve any differences of opinion that may arise regarding this Memorandum through consultation.

4.6 Each Participant may notify the other Participant that information provided under this Memorandum is sensitive, confidential, and non-public information. In such a case, the Participant receiving such information intends to maintain the confidentiality of the information consistent with applicable law, even after the Memorandum is no longer operative.

4.7 In the event of discontinuation of this Memorandum, all ongoing activities in furtherance of this Memorandum are expected to continue until completion, unless Participants decide otherwise.

SIGNED, in duplicate, in the English and Portuguese languages.

For the Office of Information and Regulatory Affairs of the Office of Management and Budget, Executive Office of the President of the United States:

Name: Administrator Richard L. Revesz Place: Washington, D.C. Date: September 20, 2024

For the International Trade Administration, United States Department of Commerce: For the Secretariat of Competitiveness and Regulatory Policy of the Ministry of Development, Industry, Trade and Services of the Federative Republic of Brazil:

Name: Secretary Andrea Pereira Macera Place: Washington, D.C. Date: September 20, 2024

For the Secretariat for Normative Acts of the Office of the Attorney General of the Federative Republic of Brazil:

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Name: Under Secretary of Commerce for International Trade Marisa Lago

Place: Washington, D.C. Date: September 20, 2024

Name: Secretary Cesar Venturini Dutra Carrijo Place: Washington, D.C. Date: September 20, 2024