



RIO GRANDE DO NORTE

Decree nº 13.723 of, December 24, 1997.

Approves the Regulation of the Support Programme for Industrial Development – PROADI.

THE RIO GRANDE DO NORTE GOVERNOR, using the powers conferred on him by the article 64, V of State Constitution, and view the article 14 of law 7.075, of November 17, 1997,

DECREE:

Article 1st Is approved, of text attached to this Decree, the Regulation of support Programme for Industrial Development – PROADI.

Article 2nd This Decree shall enter into force in the date of its publication, repealed the dispositions to the contrary.

Palace of Orders from Lagoa Nova, in Natal, December 24, 1997, 109 of the Republic.

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REGULATION OF SUPPORT PROGRAMME FOR RIO GRANDE DO NORTE
INDUSTRIAL DEVELOPMENT – PROADI

CHAPTER I
OBJECTIVES

Art. 1st The Support Programme for Rio Grande do Norte Industrial Development (PROADI) is governed by Law 7.075 of November 17, 1997, and by this regulation, and aims to support and increase the Rio Grande do Norte State industrial development, ensuring the provision of funding to industrial enterprises, where the plant installation, in the form loan agreement, of periodic progress through the Banco do Brasil S.A.

CHAPTER II
THE BENEFITED BUSINESS

Art. 2nd Can be benefited with PROADI incentives, the industrial business:

I – New one;

II – in the State territory, since expand its production capacity at least in 50% (fifty percent), through the implementation of new fixed and circulating investments;

III – in the state territory that at time of requesting for granting of incentive, is paralyzed for at least twelve months or has made, within 60 (sixty) months immediately preceding the filing of the application for the incentive, idly capacity of at least 50% (fifty percent) of total installed capacity, provided that, at the discretion of State Development Council (EDC), showing the recovery effort by taking following steps:

a) carrying out new investments able to restore the venture economic viability;

b) use of installed capacity that also makes possible the venture.

§ 1º It is considered new company, to effect a framework in item I of this article, one that is deployment phase or operating in State for no more than 6 (six) months, counting from the date of formal application for the benefit, made the attestation of this situations by instrument of company incorporation, document for entry in the General Register for Taxpayer and the Registry of State Taxpayer and, in other evidence, at the discretion of EDC.

§ 2º In case of new business in development, the benefit may be granted for anticipation, since the enterprise entry into operation within the period fixed in their schedule

§ 3º. The entry into operation of the venture, assuming that treats the preceding paragraph, not to exceed six (6) months, counting from the date of grant of the benefit, equal period

allowed by extension, provided there is justification of the company, hosted by the Economic Development Secretariat (SEDEC) and referenced by the CDE.

§ 4° For the purposes of preceding paragraphs, it is not considered new company the resulting from the change of name or reason, processing or merger of existing companies.

§ 5° In case the company of item II of the main body of this article, the PROADI benefit only reach the part concerning the increasing of production observed the following:

I – the increasing will be cleared as model provided by PROADI administration;

II – the Commission for Monitoring the PROADI should submit, within 6 (six) months, from the date of grant of incentives, technical report assessing the percentage of increase in production capacity expanded.

§ 6th In case of company that treats the item III of “main body” of this article, the benefit of PROADI will be granted in proportion to the idle recovery capacity.

Art. 3° Will be excluded of PROADI:

I – the construction business and related activities;

II – the industrial company that has as its object:

- a) smoke industrial preparation;
- b) extraction and processing sea salt;
- c) implementation of several graphic services;
- d) wood and metal manufacturing;
- e) extraction of mineral substance, without benefit.

III – the company which has as its object:

- a) fixing, restoration, or reconditioning of vehicles, machines, gadgets and used objects, or repair of parts or pieces used exclusively and specifically in such operations;
- b) preparation of food in restaurants, pubs, soda shops, bakeries and the like.

Sole paragraph. Other industrial activities not listed in this article may be included in the Programme because of economic policy guidelines, through joint proposal of Economic Development Secretariat (SEDEC), the Department of Taxation (SET) and the Department of Planning and Finance (SEPLAN), submitted for approval by the State Government.

CHAPTER IV RESOURCES

Art. 4° PROADI resources are made by claims contained in General State budget.

§ 1° Respecting the ceiling of 10% (ten percent) of income tax, CDE defines the amount of resource devoted to PROADI.

§ 2° The PROADI resources will be deposited at Banco do Brasil S.A., a special account to the order of SINTEC.

§ 3° The depreciation of main value of lendings conceived by Programme resources converts itself into revenue of State Treasury.

CAPÍTULO V OPERATIONS

Art. 5° The period of funding with PROADI resources is up to 10 (ten) years, which it understood the grace period, which will be at least 01 (one) month and a maximum of 36 (thirty-six) months.

§ 1° The period under this article may be extended, assuming that expansion in at least 25% (twenty five percent) of company's production, for at least 5 (five) years, once and after use incentive credit, the judgment of State Governor, heard the CDE.

§ 2° Counting the period of benefit will begin with the emission of first fiscal note by the beneficiary company, not to exceed 24 (twenty four) months from the date of entry into the protocol of incentives application.

§ 3° Assuming that reactivation or expansion of existing companies, the begin of using the benefit should carry out at maximum of 12 (twelve) months from the date of formal request to incentives.

§ 4° The signing loan between the recipient company and Banco do Brasil S.A. must occur in 60 (sixty) days from the incentive approval day.

Art. 6° The amount of funding with PROADI resources must take basis the ICMS value incident from the beginning of venture operations, noted the percentage of 60% (sixty percent) and 75% (seventy five percent) of ICMS, depending on the industry location, where:

I – 60% from ICMS, for companies located at Natal metropolitan area (Natal, São Gonçalo do Amarante, Parnamirim, Macaíba e Extremoz);

II – 75% from ICMS, for companies located in other municipalities of state and industrial areas created by Law.

§ 1° The amount of funding can not exceed 10% of beneficiary company revenue

§ 2° For the purposes of this article can not be computed the ICMS retained by the company on condition of substitute tax contributor.

§ 3° The benefit provided in item II of *main body* can all be granted to the company whose investment exceed R\$ 20.000.000,00 (twenty million reais) which will install in Natal metropolitan area and its considered by CDE as fundamental importance to state industrial development.

Art. 7° About the PROADI funding bear interest of 3% (three percent) per year, calculated on the balance due in each quarter, which will be upgraded monetary in each semester.

Art. 8° The financial burden of dealing the previous article have the following destinations:

I – 1 % (one percent) to Banco do Brasil S.A. by way of remuneration for services to it in the form of art. 23 of these Regulations;

II – 2 % (two percent) to the Economic Development Secretariat (SEDEC), to be transferred to the account of the Fund for Industrial and Commercial Development of Rio Grande do Norte (FDCI), to develop programs geared to the industrial sector.

Art. 9° The operations of PROADI have monthly disbursements, whose values are calculated by Banco do Brasil SA, and the monitoring of SINTEC and SET.

Art. 10. Repayment of Main financing, updated monetary, is made in installments, in number and value equal to the disbursements, with the additional charges referred to in art. 7, payable from the first month after the grace period.

§ 1° The plot for the repayment of the principal financing from dealing with this Article shall be reduced by up to 99% (ninety-nine percent), according to the following criteria:

I – industry located in state country 16 points;

II – industry located in industrial areas created by Law..... 14 points;

III – industry located in municipalities of Natal metropolitan area..... 12 points;

IV – industry whose investments is:

a) to R\$ 1.000.000,00 (one million reais) 1 point;

- b) of R\$ 1.000.001,00 (one million and one reais) to R\$ 5.000.000,00 (five million de reais) 2 points;
- c) of R\$ 5.000.001,00 (five million and one reais) to R\$ 20.000.000,00 (twenty million reais) 3 points;
- d) above R\$ 20.000.000,00 (twenty million reais) 4 points;

V – industry to absorb:

- a) to 100 (one hundred) employees 1 point;
- b) of 101 (one hundred and one) to 500 (five hundred) employees..... 2 points;
- c) more than 500 (five hundred) employees..... 3 points;

VI – industry that uses at least 30% (thirty percent) of total cost of raw materials produced in State..... 1 point;

VII – industry that in its deployment uses construction companies of state at execution of all civil works under its feasibility project..... 1 point;

VIII – industry installed in Natal metropolitan area that engages fraction of his production with company installed in interior city of state, at following levels:

- a) from 20% (twenty percent) to 35% (thirty five percent) of fractionated production..... 1 point;
- b) from 36% (thirty six percent) to 50% (fifty percent) of fractionated production..... 2 points;

IX – industry whose product still doesn't have similar in State and until the beginning of its production was object of import from another Federation Unity or from outside 1 point.

§ 2º Each point attributed, in according to the criteria set at last paragraph, equivalent to 4.95% (four and ninety-five percent) reduction in reimbursement of main financing.

§ 3º To obtain scores, companies must submit documents attesting the various situations described in paragraph 1, namely, registration in the competent bodies that control exports, contracts of faction, contracts with construction, among others, which may be requested by SEDEC or the Secretariat of Taxation.

§ 4º The industry receiving the PROADI may reach a maximum of 20 (twenty) points, equivalent to 99% (ninety-nine percent) the reduction of reimbursement.

Art. 11. The provisions of first paragraph of last article may be extended, by signing the additive term, at the discretion of the CDE, and under conditions laid down by this, the contracts of financing resources with the Program concluded at an earlier date to April 26, 1995 and pact again subsequent to that date, under contract with Banco do Brasil S.A.

§ 1º The industrial companies that in this article can be benefited even with:

I – parceling, for a period of up to 120 (one hundred and twenty) months, the debts arising from funding with resources from PROADI, even those that are processed in the judicial sphere;

II – parceling, for a period of up to 96 (ninety-six) months, the tax liabilities arising from the impact of ICMS, including those that are registered in the active debt or are processed in the judicial sphere.

§ 2º The companies benefited from the provisions of sections I and II of the preceding paragraph shall submit to the SINTEC documents attesting the refinancing of its debts, for its settlement before the programme.

Art. 12. The beneficiary, within the period specified in the schedule of implementation of PROADI, deposit the amount corresponding to 25% (twenty-five per cent) of ICMS, equivalent to the participation of municipalities in the collection of that tax, at Banco do Brasil SA, in special account, maintained for the sole purpose of financial incentive that is this Regulation.

CAPÍTULO VI THE PROOF, THE SIGNING AND RELEASE

Art. 13. The Protocols of Intent signed between companies interested in obtaining the incentives of PROADI and the Government of the State shall comply with the provisions of this Regulation.

Art. 14. The request to grant the benefits of PROADI must be accompanied by Economic Feasibility Project, accompanied by the following documents:

I – act of incorporation of the company and its amendments;

II – environmental permit required provided by the Environment Coordination of the State of Rio Grande do Norte (CMA), if applicable;

III –negative extracts rates of federal, state and municipal;

IV – extracts negative debt active federal, state and ;

V – other documents deemed relevant to the analysis of petition.

Art. 15. For purposes of analysis of petition, SINTEC should:

I – ask the Bank of Brazil S.A. information on the state register of the company;

II – consider the merits economic, social and financial of petition;

III – indicate that in accordance with the incentive may be granted in accordance with the conditions advance in this regulation and routines that will be established by the CDE:

IV – forward the case to the Department of Taxation for analysis and reporting of the situation of the applicant from the tax benefit;

V – referring the case to its legal advice for opinion;

VI – set an conclusive opinion.

Art. 16. The case is submitted to the PROADI Monitoring Commission, for technical advice, returning then to SINTEC for referral to the CDE. while the Governor of the State expedite the act of concession.

Art. 17. Deferred the petition, SINTEC guide expedient to Banco do Brasil SA reporting on the conditions for the conclusion of the loan agreement and the release of resources.

CAPÍTULO VII DA ADMINISTRAÇÃO

Art. 18. At SINTEC as the body of PROADI manager, is responsible for:

I – proposing the annual plan of implementation of the resources Programme;

II – implement and supervise all necessary steps to instruction and the trial of requests for incentives;

III – fulfill certain steps determined by CDE at relating process to PROADI incentives;

IV – after the acceptance of incentive by state Governor, authorizes the Banco do Brasil S.A. to conclude the contract of mutual;

V – practicing all acts committed by this Regulation.

Art. 19. It is the Department of Taxation:

I – communicate to SINTEC the cases of default of tax obligations by business members of PROADI;

II – to examine and report SEDEC the fiscal situation of the applicant companies benefit;

III – keep permanent control in respect of compliance with tax obligations by firms benefiting from PROADI.

Art. 20. It is the Department of Planning and Finance (SEPLAN):

I – establish, together with Banco do Brasil SA, operational procedures necessary for the automatic release of the credit;

II – accompany the budget resources of PROADI;

III – exercising oversight of financial transactions relating to contracts and funding on their releases and their depreciation.

Art. 21. To Banco do Brasil S.A. as PROADI executing agency, is responsible for:

I – to establish, by intern resolution, operational standards, a bank that apply to the Programme;

II – to establish, together with the SEPLAN, the procedures referred to in item I of the previous article.

Art. 22. The operationalization of PROADI is disciplined by Agreement signed between the Government of the State, represented by SEPLAN and the SINTEC, and Banco do Brasil S.A.

CAPÍTULO VIII OF PENALTIES

Art. 23. It will loose the monthly financing the company that does not observe the schedule dates of PROADI implementation.

Art. 24. It will be cancelled the incentive granted to company that does not accomplish the deadline specified at third paragraph of article 5.

Art. 26. Without prejudice to the penalties set by federal law, state and municipal levels, the failure to comply with the measures necessary to preserve or fix the damage caused by the degradation of environmental quality, subject the transgressor, at the discretion of the CDE, the loss or restriction of the incentive PROADI.

Art. 27. The default of tax and contractual obligations on the part of any beneficiary of the PROADI, implies their automatic exclusion of the Programme, following the dispatch of notification by SEDEC, and maturity of the plots of the loan agreement already released, for the purpose of his immediate call, increased the charges referred to in art. 7.

Sole paragraph. It is also, as default, undue delay, for a period exceeding six (6) months in implementing the physical and financial schedule of the project.

Art. 28. In the act of accession to PROADI, the recipient company undertakes to remain in the state, after the liquidation of funding, for the same period of benefit granted to it under penalty of return all the incentives that did justice on grounds of the Programme.

Art. 29. Failure to comply with the design and execution of investment or not their achievement at odds with the physical and financial schedule subject to the company receiving treatment under arts. 26 and 27.

CAPÍTULO IX OF GENERAL

Art. 30. The benefits of PROADI can not be granted more than once to the same company, except for the possibility of extension provided for in Paragraph 1 of art. 3 of Law No. 7075 of November 17, 1997.

Sole paragraph. The extension of that in this article may be granted only once and after the full use of credit arising from the benefit.

Art. 31. In the case where a person keeps legal activities benefited and not supported by PROADI, should make in relation to the activities benefited, specific accounting records, for purposes of emphasis and demonstration of the elements that make up their costs, revenue and results.

Art. 32. The enjoyment of the incentive deals that this regulation is subject to compliance by the recipient company, the devices of labor and social legislation and standards of protection and control of the environment, can the Commission for Monitoring the PROADI, at any time, check the compliance with the provisions of this article.

Art. 33. The monitoring and control of PROADI will be made by a commission, composed of six (6) members, appointed by the Governor of the State, chosen equally among the servers SEDEC, the SET and SEPLAN.

Sole paragraph. The chair of the Commission that in this article shall be exercised by one of the representatives of SEDEC.

Art. 34. The cases omission in this Regulation shall be decided by the State Council Development - CDE, letter or request from the Commission referred to in the preceding article.

Art. 35. This Regulation shall enter into force on the date of its publication, repealed the provisions to the contrary, particularly the Decree No. 12669, July 14, 1995 and its subsequent amendments.

