



### **B Lab Statement on CQSfv Advogados' B Corp Certification**

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies providing tax advisory services:

*"Companies in the tax advisory industry are eligible for B Corp Certification if they are able to confirm that their tax philosophy, used to provide services and recommendations to clients, aligns with the company specific principles listed in B Lab's framework, specifically, 1) the tax advice provided appropriately reflects the actual amount of income generated by the client over time; and, 2) the tax advice provided to a client for a jurisdiction appropriately reflects the actual operations of the client in that jurisdiction."*

CQSfv Advogados is required to disclose a summary of how it complies with the above requirements as a part of its B Corp Certification. For more information on the review process, please refer to B Lab's position statement on Companies that Provide Tax Advisory Services and B Corp Certification [here](#).

### **Summary of Company**

CQSfv Advogados is a law firm located in São Paulo, Brazil. CQSfv Advogados's tax department, which contributes 6% to its annual revenue, provides expert tax consultancy and tax planning services. Consultancy services range from tax consultancy on various tax issues concerning municipal, state and federal taxes to advice on monitoring legislative projects, participating in public consultations and providing guidance on strategic positioning in the face of proposals to amend tax legislation. In terms of their fees, CQSfv Advogados charges on a time basis for consulting and planning services. As for administrative and judicial proceedings, they estimate fixed fees and based on success, suggesting a % of the economic benefit achieved. CQSfv Advogados' clients include, but are not limited to, high net worth individuals, SMEs, larger enterprises, and MNEs.

### **CQSfv Advogados' Policies and Practices**

In alignment with the requirements and principles stated in B Lab's position statement for companies that provide tax advisory services, CQSfv Advogados has a philosophy statement for the tax advice that they provide to their clients and their own engagement with governments and tax regulators, which has been shared with all their employees. The philosophy statement reads as follows:

*"CQSfv Advogados is proud of our status as a Certified B Corp. As part of that commitment and in recognition of the role that taxes play in contributing to a healthy society, we use our professional judgment to provide advice regarding tax positions with multiple potential interpretations that accurately reflects the income and operations of the client in each jurisdiction for which the client seeks our advice based on the details of the client's income and*



*operations provided to us, and do not advise clients to take a position unless we believe it has at least a reasonable basis for defending it before applicable tax authorities. If a client takes a tax position despite our advice to the contrary, we reserve the right to stop work for and terminate such client. In accordance with this tax philosophy, we follow tax rules to work for specific clients in need of regulatory compliance assistance. We maintain compliance with this policy through regular training of our employees and partners, internal policies on conduct, engagement documentation with our clients, and client retention reviews.”*

To prevent the risk of providing advice that results in aggressive tax avoidance, CQSfv Advogados has a national tax department that follows the principle of tax planning and must be guided by the legal principles and rules that govern the tax system, ensuring that operations reflect the real amount of income perceived by the client over time, as well as the actual operations carried out in the country.

Although the company does not use any local, regional or global standard/certification to implement best practices in its tax consulting services, CQSfv Advogados has a code of professional and ethical conduct that is applicable to all departments of the firm, which determines compliance with the legal rules applicable to each area of activity. The code is applied by internal control without the involvement of an external professional. The company's statement of transparent tax philosophy and the company's code of conduct promotes practices to prohibit its participation in the development, mass marketing and implementation of tax avoidance schemes to its clients, as they believe that such actions generate harmful environments for doing business, to the detriment of the public interest.

Regarding policies related to low tax jurisdictions, a large part of CQSfv's clientele carries out cultural and social projects approved by regulatory agencies and benefits from tax incentives laws. In this sense, they generally serve clients who need to be tax regular, often go through accountability processes and who strictly follow tax obligations. Thus, cases of clients doing business from low-tax jurisdictions are very rare and estimated to not reach 1% of the total consultancy work performed.

The company's tax team is normally fully involved in the projects and has never had to face conflicts of interest, nor do they hire former employees of government agencies. The company also counts with different whistleblowing channels available to all employees to report cases of corruption, violations to public administration principles or to the company's code of professional and ethical conduct. CQSfv has never faced any litigation or penalty because of tax advisory service.

CQSfv does not lobby for tax legislation reform, however, in terms of its Fiscal Philosophy Statement, they support tax reforms that aim to make Brazilian taxation simpler and easier for Brazilian taxpayers to comply with.