



São Paulo, April 23th of 2014.

**WFC JOINT DECLARATION OF SAO PAULO – APRIL 23th, 2014**

To the Brazilian Supreme Court,

The World Franchise Council - WFC, an international entity that unites national associations of 42 major countries, met in São Paulo, at the Hilton Morumbi Hotel, on April 23, 2014.

The WFC has learned of the new service tax applied in Brazil on royalties and franchise fees, called ISS.

The WFC wishes to highlight that such additional tax negatively affects the economic balance of franchise contracts, impairs job creation, reduces new investments and imposes an extra burden that impacts negatively on franchise activities.

In light of these facts, the WFC views with concern such service tax and asks the Supreme Court of Brazil to rule against the treatment of franchise royalty payments as subject to service tax.

Best Regards,

WFC General Secretariat

Chair Elected September/2014

ABF President

Witness

