

Entrepreneurship that
TRANSFORMS





What is Sebrae?

The Brazilian Micro and Small Business Support Service (Sebrae) is a private entity with a strong public focus, established on July 5th, 1972. It aligns with national policies aimed at fostering small business development and entrepreneurship.



Multi-level approach

Firm level



Individual Micro-Entrepreneur (MEI)

Structural Level

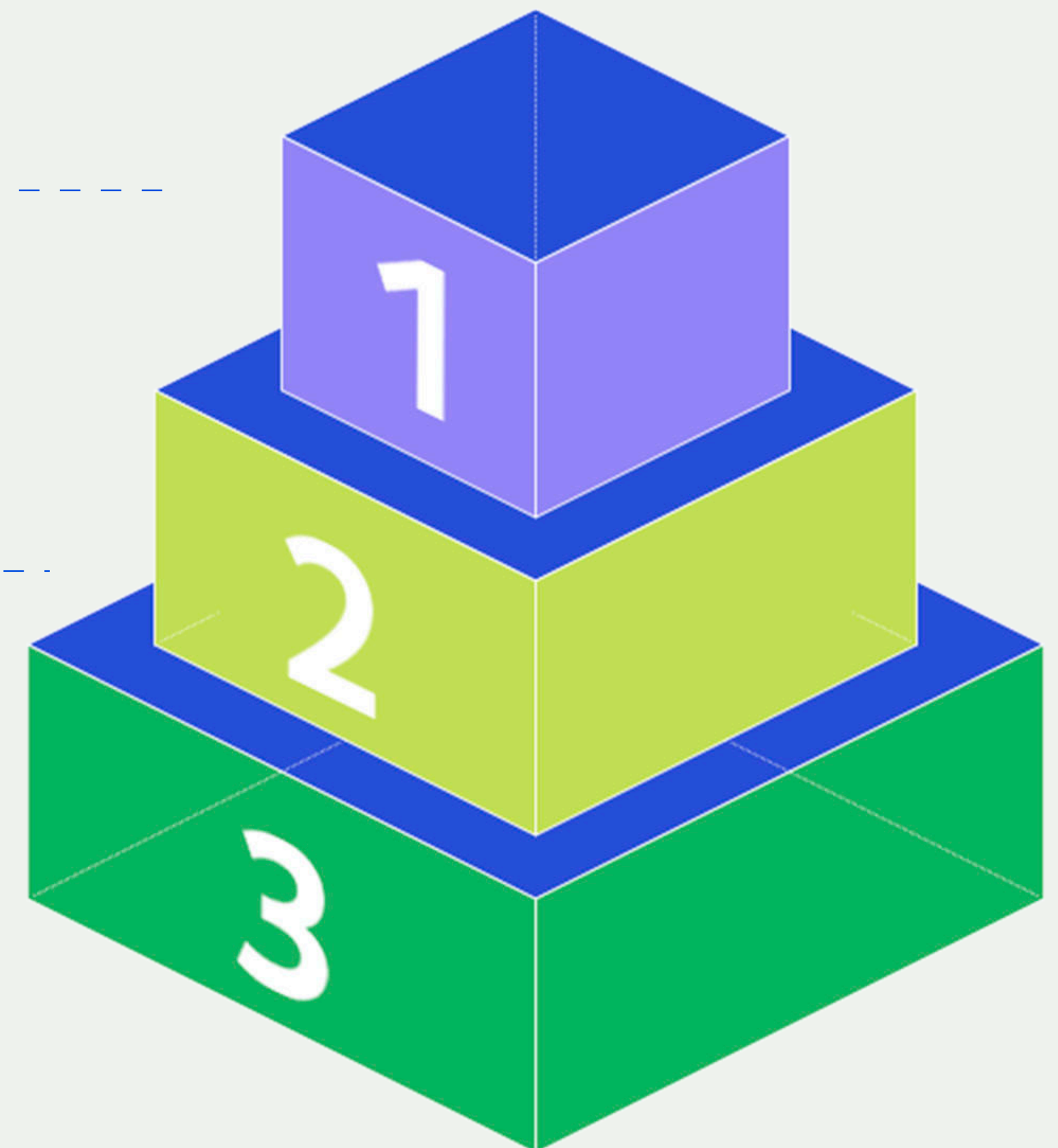


Value chains

Systemic level



Regulatory Framework /
Business / Environment / Biomes

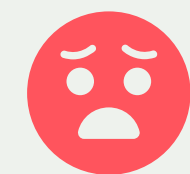


Barriers



Difficulties

Formalization seems time-consuming and expensive, but it's a **myth**. It's easy, simple, and bureaucracy-free. We must overcome this misconception with information.



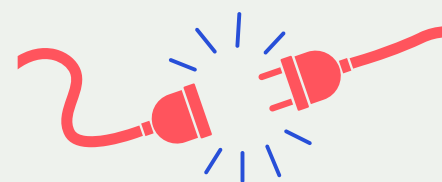
Concerns

about penalties for informality, loss of social benefits, and tax exposure through Pix (instant payment).



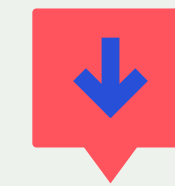
Limited awareness

of the benefits of formalization, such as the advantages of the General Law, which ensures access to credit, markets, and business guidance.



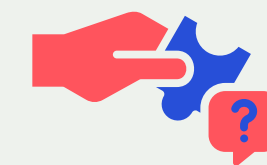
Weak coordination

between social assistance agencies and the entrepreneurship agenda.



Low engagement

among young entrepreneurs regarding social security benefits, including retirement and temporary disability assistance.



Bureaucracy

imposed by municipal and state governments on formalization.

How did we overcome?

- = MEI
- = On-line one stop shop
- = Zero Bureaucracy
- = Low Lump-sum tax (fixed amount of US\$12)
- = No additional services
- = Local Engagement



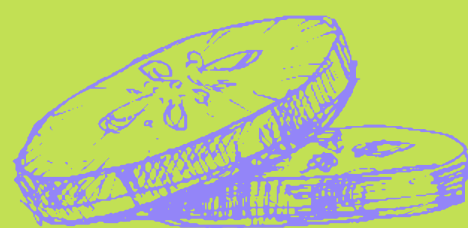


Individual Micro-Entrepreneur (MEI)

- Complementary Law for MEI 128/2008
- Annual turnover limit: ~USD 14k
- 1 employee max
- One-stop website with all services
- Full legalization
- Provisional permit based on entrepreneur's declaration
- Prohibition of extra public fees
Social security coverage, medical and maternity leave, retirement
(1 minimum wage at 65 (M)/62 (F) years old)
- Issuance of invoices



Karla Manfredini, professional chef in Antonina. She makes recipes with Antonina's Banana Candies (which have a Geographical Indication). She decided to formalize as a MEI in 2024.



Sebrae, through the Entrepreneur's Center in Antonina, helped me throughout the process. It was very quick and simple

Karla Manfredini, professional chef in Antonina - PR

What we expected



low education level



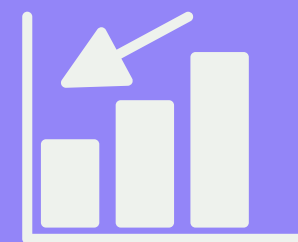
social security as the main driver



low level of income



mostly low-productivity sectors
(retail, beauty services, street food)



1 to 5 MM formalizations expected

vs

What we got



medium to high education level
(**41%** has a college degree)



being able to sell formally as
the main driver



medium level of income



mostly low-productivity sectors,
but also IT, design, uber drivers etc



15.7 MM formalized and growing

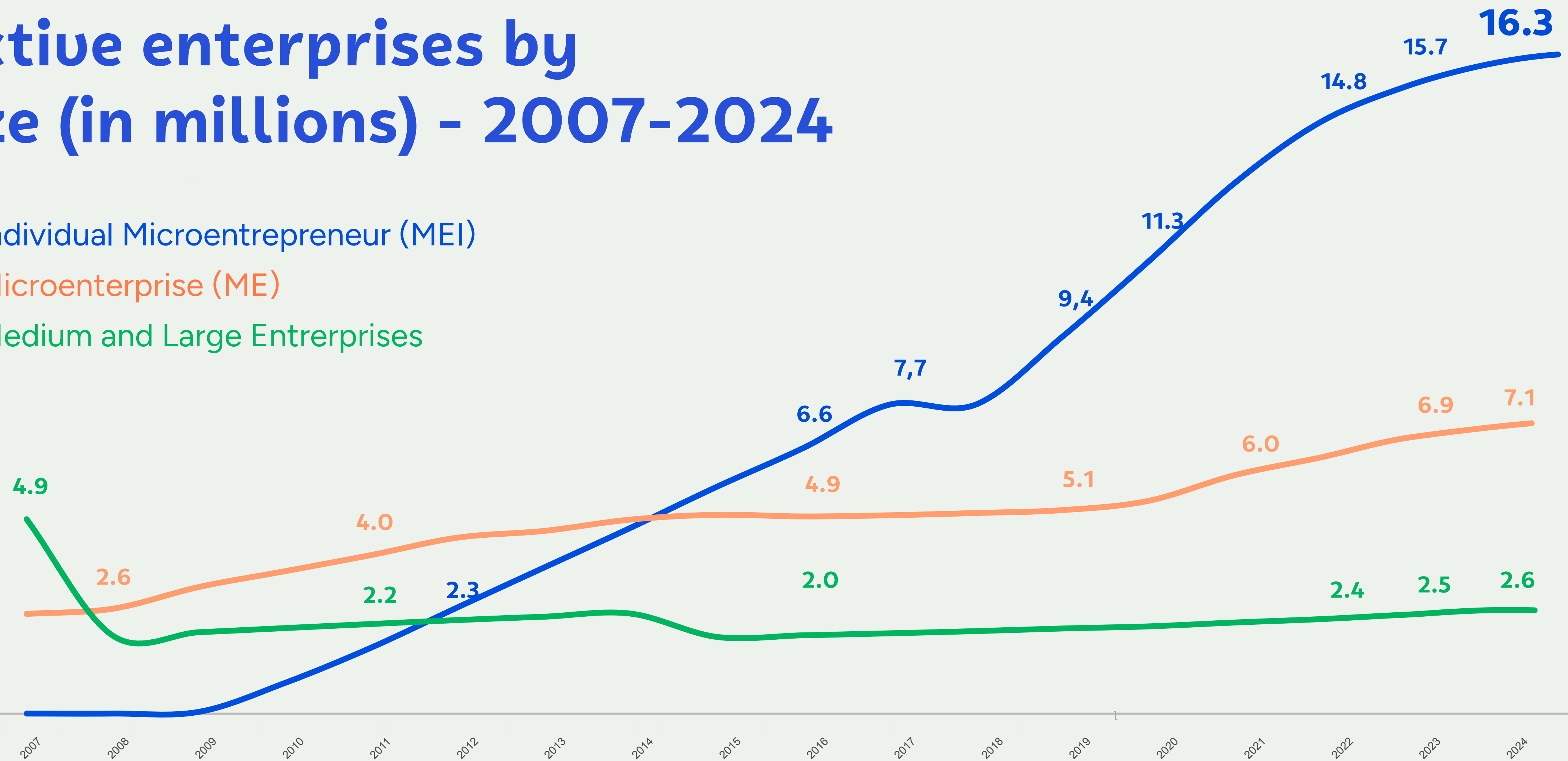
Results

- = Social Security Access
- = Government Procurement
- = **25%** increase in income due to formalization
- = Productive Inclusion of Minority Groups (**49%** Black and **48%** Women)
- = Formalization generates **US\$12 billion** dollars per year
- = **US\$ 23 billion** credit stock



Active enterprises by size (in millions) - 2007-2024

- Individual Microentrepreneur (MEI)
- Microenterprise (ME)
- Medium and Large Enterprises



2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

2024

Lei Geral da MPE
(LC nº 123/06)

Criação do MEI
(LC nº 128/2008)

Inclusão do Setor
Cultural no
Simples Nacional
(LC nº 133/09)

Ampliação dos Limites
do Simples Nacional
(LC nº 139/11)
Universalização do
Simples Nacional
(LC nº 147/14)

Programa Crescer
sem Medo
(LC nº 155/16)

Empresa Simples de Crédito
(LC nº 167/19)
Sociedade de Garantia Solidária
(LC nº 169/19)
Lei da Liberdade Econômica
(Lei nº 13874/19)

Inova Simples e o
Marco Legal das Startups
Melhorias no
Ambiente de Negócios
(Lei nº 14195/2021)

Refis do Simples
(LC193/2022)

Simplificação de
Obrigações Acessórias
(LC 199/2023)
Desenrola Brasil
(Lei 14690/2023)

Programa
ACREDITA
(Lei nº 14995/24)

International cooperation

Promote exchange and mutual support



1 Conduct studies on simplifying international trade procedures for MSEs.



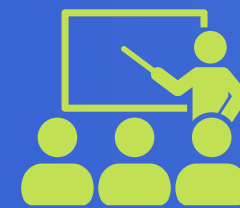
2 Propose the development of standardized metrics to evaluate formalization policies (addressing challenges in scaling formalization programs).



3 Support differentiated treatments without constituting prohibited subsidies (e.g., SIMPLES).



4 Promote digital transformation as a driver of formalization (e.g., Pix and banking inclusion).



5 Develop a training program for Sebrae agents on international trade regulations.



6 Ensure coherence between global frameworks and local realities.



7 Implement pilot programs for localized application of international recommendations.



Thank You



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