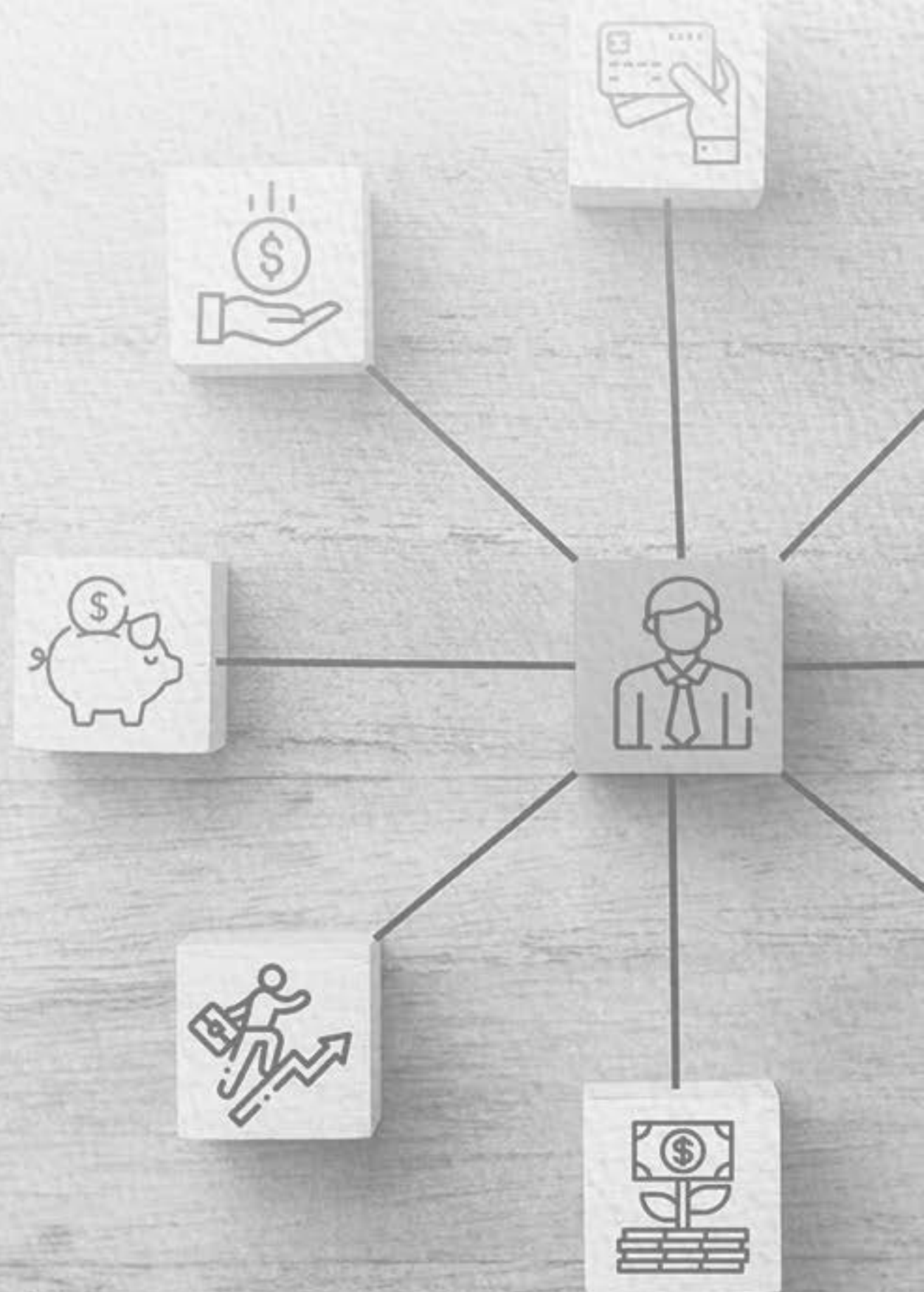



HOW TO CHOOSE THE IDEAL CORPORATE STRUCTURE for your business?

*Corporate structures and
legal aspects shaping the
future of companies*

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Choosing the right corporate structure is one of the most strategic decisions when setting up a company. More than mere formality, it is a factor that directly influences liability of the partners, governance structure, fundraising opportunities, taxation and even the long-term continuity of the business.

In Brazil, the **limited liability company (Ltda.)** remains the most widely adopted form, due to the simplicity of its management and the protection it offers to partners' assets.

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Limited Liability Company (Ltda.)

Legal framework	Federal Law No. 10,406, of January 10, 2002 (Brazilian Civil Code)
Constitutional Documents	Articles of Association
Management	Manager Optional Boards and Committees
Governance	Informal and flexible
Quorum for resolutions	Majority or unanimity (standards set forth in the Brazilian Civil Code)
Fundraising	Through contracts or capital increase
Partners' liability	Limited to the value of their quotas Joint liability regarding the full payment of subscribed capital
Simplified Tax Regime	Possibility of adoption

On the other hand, the corporation (Sociedade por Ações – S.A.), whether publicly or closely held, may be the best option for projects that require significant investment or involve a diversified partnership base. This is because this corporate structure provides mechanisms for the protection of minority partners and more robust governance rules — a complex set of principles, practices, and mechanisms that guide the management of business.

Closely-Held Corporation (S.A.)

Legal framework

Federal Law No. 6,404 of December 15, 1976 (Brazilian Corporation Law)

Constitutional Documents

Bylaws



Closely-Held Corporation (S.A.)

Management

Shareholders' Meeting and Executive Board
Optional Board of Directors
Optional Fiscal Council

Governance

Requirement for recording minutes, publications, etc.

Quorum for Resolutions

Specific legal rules apply depending on the type of matter under deliberation

Fundraising

Structured capital contributions, including issuance of shares

Shareholders' Liability

Limited to the value of the shares subscribed or acquired

Simplified Tax Regime

Not available for this corporate type

A **Publicly-Held Corporation** is subject to even stricter rules, due to its relationship with the capital markets and regulatory agencies (such as the Brazilian Securities and Exchange Commission – CVM), given the possibility for the general public to acquire its shares.

Publicly-Held Corporation (S.A.)

Legal framework	Federal Law No. 6,404 of December 15, 1976 (Brazilian Corporation Law) Rules from Brazilian Securities and Exchange Commission – CVM Rules from Central Bank of Brazil, if applicable
Constitutional Documents	Bylaws
Management	Shareholders’ Meeting Board of Directors Executive Board Optional Fiscal Council

Publicly-Held Corporation (S.A.)

Governance

Subject to stricter rules, such as audited financial statements and periodic filings

Quorum for Resolutions

Annual General Meeting, with absolute majority of votes
Qualified quorum for certain matters

Fundraising

Public Offer
Issuance

Shareholders' Liability

Limited to the issue price of the subscribed or acquired shares

Simplified Tax Regime

Not available for this corporate type

Other company structures — such as partnerships, joint ventures or cooperatives — may be more suitable in specific sectors, depending on the level of risk involved, the company's economic purpose, and the degree of flexibility desired in the articles of association.

In any case, this choice cannot be separated from factors such as:

- the social function of the company, that is, its contribution to society beyond the pursuit of profit, through its relationship with employees, the community, and the market;
- the need to prevent corporate disputes, by means of well-structured contracts and bylaws, or even through parasocial instruments, such as shareholders' agreements; and
- the regulatory requirements specific to each industry.

How can we help?

At H•NAVES, we advise companies throughout this process in a consultative and personalized manner — assessing legal risks, designing corporate structures that ensure security and efficiency, and drafting instruments that prevent shareholder disputes while ensuring regulatory compliance. In this way, we support our clients in making decisions aligned with their growth strategy, building a solid corporate foundation prepared for the challenges of the market.

