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The international expansion of national companies from a legal perspective: benefits, challenges and impacts on the local and global economy

The international expansion of national companies from a legal perspective: benefits, challenges and impacts on the local and global economy

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SUMMARY

This scientific article analyzes the legal aspects of the international expansion of Brazilian companies, with an emphasis on the economic benefits, legal implications and effects on the local and global economy. The study addresses, in the light of International, Economic and Business Law, the strategic role of exports as an instrument of development and competitiveness. Based on national legislation, international treaties and legal doctrine, the study also highlights the main challenges faced by companies and proposes normative and institutional solutions to enable Brazil's sustainable insertion in international trade.

Keywords: International Economic Law; Export; Internationalization; Economic Development; Legal Security.

1 INTRODUCTION

Business internationalization, especially through exports, is now a strategic necessity for strengthening the national economy. However, this practice requires consistent legal support capable of guaranteeing the security of operations and protecting the interests of companies in the face of the demands and standards of international markets. In addition to the economic benefits, exports also involve consolidating the country's image abroad, and are essential for its leading role on the global stage.

As Amaral Júnior (2011) argues, International Economic Law is the normative foundation that regulates the circulation of goods, services and capital between countries, and Brazil, as an active member of the World Trade Organization (WTO) and signatory to several multilateral treaties, has a relevant legal framework to promote exports. In view of this, this study proposes to analyze, in depth, the legal and economic benefits of

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internationalization of Brazilian companies, the practical effects of this action at local and global levels, and the main legal obstacles that still limit the full development of the country's export potential.

2 LEGAL BASIS FOR EXPORTATION

2.1 National Constitutional and Legal Framework

The 1988 Federal Constitution, in its article 1, establishes free enterprise as one of the foundations of the Federative Republic of Brazil, which presupposes the freedom to act in the national and international market. In article 170, items II and IV, the economic order is based on the valorization of human labor, the social function of property and free competition.

Article 219 of the Constitution states that "the domestic market is part of the national heritage and will be encouraged in order to facilitate cultural and socioeconomic development", which also applies to export strategies, as the development of the domestic market is driven by companies that become competitive abroad.

In addition, other relevant legislation in the context of export includes:

- **Law No. 10,637/2002 and Law No. 10,833/2003** – regulate the non-incidence of PIS/COFINS on exports;
- **Complementary Law No. 87/1996 (Kandir Law)** – establishes the immunity of ICMS on exports of primary and industrialized products;
- **Decrees and normative instructions from the Federal Revenue Service and Siscomex** – organize the system of customs records and controls;
- **Law No. 12,546/2011** – deals with Reintegra, a program that refunds part of federal taxes to exporters.

As Barreto (2015) points out, Brazilian tax legislation has sought to align itself with international practices, promoting tax incentives and exemption from export taxes as a way of fostering competitiveness.

2.2 International Law and Multilateral Agreements

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Brazil is a signatory to the **Vienna Convention on Contracts for the International Sale of Goods (CISG),** which standardizes contractual rules in international trade and provides legal security for exports.

As Faria (2013) explains, the CISG is one of the most relevant instruments of global trade, as it allows parties to operate under a predictable legal framework, even when subject to different national laws. The adherence to the Convention by most trading powers provides a safer scenario for Brazilian companies seeking to do business abroad.

In addition to the CISG, Brazil participates in the following multilateral and regional instruments:

- **WTO agreements** – which regulate tariff barriers, subsidies and dispute settlement;
- **Treaty of Asunción and MERCOSUR Protocols** – which promote regional integration and customs simplification;
- **Customs Cooperation Agreements with countries in Latin America, Europe and Asia.**

These mechanisms guarantee preferential access to markets, standardization of technical standards and reduction of non-tariff barriers.

3 THE ROLE OF THE LAWYER IN EXPORT STRATEGY

The lawyer specializing in foreign trade plays a crucial role in drafting international contracts, analyzing legal risks, mediating transnational conflicts and adapting to local legislation in destination countries.

As Tavares (2020) points out, the role of the jurist in this scenario goes beyond litigation, being strategic in structuring the business, conducting due diligence and protecting intangible assets such as brands, patents and know-how.

In addition, the lawyer works to defend the interests of Brazilian companies before organizations such as:

- **WTO (within the scope of dispute panels);**
- **International Arbitration Chambers;**

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- **Local courts of foreign jurisdiction, when there is a forum selection clause.**

4 ECONOMIC IMPACTS OF INTERNATIONALIZATION

4.1 In the Local Context

The performance of Brazilian companies in the international market generates several positive effects on the local scenario:

- **Generation of direct and indirect jobs,** with increased formalization;
- **Increase in public revenue through economic movement and local investments;**
- **Stimulating the production chain,** including suppliers, distributors and service providers.

According to a study by the Institute of Applied Economic Research (IPEA, 2018), municipalities with a high density of exporting companies have Human Development Indexes (HDI) higher than the national average.

From a legal point of view, the local operations of these companies encourage the formulation of **municipal laws to encourage exports,** in addition to the creation of special trade zones and special customs regimes, such as the **Customs Warehouse** and the **Drawback Regime.**

4.2 In the Global Context

The export of Brazilian goods and services contributes to:

- **The diversification of global value chains;**
- **The reduction of trade asymmetry between countries in the Southern Hemisphere and North;**
- **The insertion of Brazil as a relevant actor in economic diplomacy;**

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- **The dissemination of Brazilian legal culture in international forums.**

As Prado (2019) highlights, companies are often informal vehicles of soft power, promoting national values, business practices and legal solutions in other countries.

5 LEGAL CHALLENGES TO INTERNATIONALIZATION

Despite the progress, legal obstacles persist that inhibit the growth of Brazilian exports:

- **Excessive tax and customs bureaucracy;**
- **Legal uncertainty regarding regional tax incentives;**
- **Lack of harmonization of technical and environmental standards with main markets;**
- **Low number of bilateral investment treaties (BITs)** in force.

The absence of a unified **Brazilian Foreign Trade Code** is highlighted by legal experts as one of the main regulatory bottlenecks (GOMES, 2021). The unification and simplification of standards could reduce compliance costs and attract more companies to the international market.

6 FINAL CONSIDERATIONS

Exporting by Brazilian companies is not only a driver of economic growth, but also a practice supported by a complex legal framework. The role of the lawyer is central to making these operations legally viable, ensuring legal certainty and mediating between national and international legislation.

The advancement of internationalization depends not only on business competitiveness, but also on legislative modernization, the expansion of international agreements and the strategic actions of the State and specialized legal services.

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