



Preparing for the Brazilian tax reform:

Technology as a catalyst for compliance and transformation



The challenge

The Brazilian Tax Reform introduces the most sweeping changes to the country's indirect tax system in decades. With the transition to a dual value-added-tax system—CBS at the federal level and IBS at the state and municipal levels—businesses are facing a complex, multiyear transformation that impacts nearly every part of their operations.

This is not only a tax change but also a fundamental shift in how businesses must calculate, invoice, report, and document their transactions.

Starting in October 2025, new electronic invoice layouts for goods and services will be available for taxpayers, calculation and reporting requirements will become effective in January 2026. Over the following years, PIS, COFINS, IPI, ICMS and ISS will be phased out and replaced with CBS and IBS, with both systems coexisting during a lengthy and delicate transition.

What makes this so challenging?

- ▶ **Tax logic overhaul:** Existing tax determination and calculation of Brazilian indirect taxes must be redesigned to accommodate new CBS and IBS logic and parameters.
- ▶ **Enterprise resource planning (ERP) and tax engine readiness:** Core systems (e.g., SAP, Oracle) must be reconfigured—from pricing and posting rules to fiscal documents and downstream reporting.
- ▶ **E-invoicing adaptation:** New layouts, validations, and schema will require urgent configuration updates and vendor alignment.
- ▶ **Master data and pricing strategy:** All customer, vendor, product, and service tax assignments and credits must be reevaluated.

What's at risk if you're not prepared?



How KPMG can help

KPMG LLP (KPMG) offers an integrated suite of tax, technology, and transformation services tailored to your business strategy. Our deep experience in Brazilian tax law, e-invoicing mandates, ERP systems, and global tax technology allows us to deliver actionable solutions to help you comply—and thrive—during this transformation.

Our strategic offerings include:



Tax reform simulator

Model and forecast CBS/IBS impacts during the seven-year transition period, leveraging an external tax engine for producing simulations and dashboards



Tax engine readiness and updates

Assessment and implementation of updates and enhancements to existing tax engines to accommodate new CBS/IBS logic and integration with ERPs



E-invoicing support and vendor selection

Evaluate changes and support with implementation of solutions compliant with Brazil's evolving mandates



ERP system impact evaluation

Identification of gaps in ERP tax logic, invoice configuration, and integration points across the major ERPs



Implementation services

Wide-ranging project delivery: planning, testing, go-live, and hyper-care



Long-term managed services

Support for tax engine or e-invoicing system errors, helping ensure continuity and compliance.

Where should you start?

- E-invoicing layout readiness (October 2025)
- ERP and tax engine configuration assessment
- Simulation of tax burden shifts (2026–2033)
- Master data and pricing strategy alignment
- Stakeholder engagement and governance setup

KPMG stands out for our **deep bench of Brazil Tax professionals**, established methodologies, and unmatched technology enablement. We bring a **distinct blend of strategic tax guidance and technical delivery** capabilities, tailored to Brazil's reform.

Contact us

Paula Smith
Managing Director
Indirect Tax Technology
KPMG LLP
ppsmith@kpmg.com

Atila Vaccaro
Senior Manager
Indirect Tax Technology
KPMG LLP
atilamota@kpmg.com

Maria Isabel Ferreira
Partner
KPMG Brazil
miferreira@kpmg.com.br

Rafaela Viana
Managing Director
KPMG Brazil
rafaelaviana@kpmg.com.br

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



[kpmg.com](https://www.kpmg.com)

The following information is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. USCS030867-1A