

b) The agreement must include the supply of technical information including specifications and processes and, where applicable, the rendering of technical assistance and the training of licensee's personnel.

c) The technology must:

i) be relevant to the government's priority for economic development, and bring real advantage to the industry sector concerned;

ii) correspond to technology levels currently unattained in Brazil,

iii) be applicable to export markets;

iv) allow the replacement of imports of the product.

d) Payment.

i) Must be directly related to the commencement of manufacture in Brazil. The level of payment is dependent upon the complexity of the technology, the supply, on a continuing basis, of information by the licensor to keep the licensee abreast of developments and the period set for the absorption of the technology by the licensee.

ii) Payment is related to the actual application of the patent (1%) and to the sale of the resulting product. The level of payment can be on a percentage basis or as a fixed value per unit, related to the net sales price or linked to profits.

iii) Where applicable, the total amount of payment for the supply of the technology may be fixed or estimated in advance, subject to an agreed limit which includes technical assistance and training. If payments reach the ceiling before the agreement expires, the other contractual provisions nevertheless remain in force.

e) The contract must establish the term considered necessary for the recipient to absorb the technology. The agreement must detail the recipient's technological capacity, and provide a chronogram for technology absorption and personnel training.

f) The agreement must provide for the supply of supplementary data, linked to the technology transferred. If such innovations are subject to a patent in Brazil, a separate "licence agreement" will also have to be prepared.