

companies may only contract foreign technicians where they have a capacity to absorb the technology. A chronogram for the absorption of the technology must be presented.

- f) Payment must be established as a fixed price, related to the nature of the services, the importance of the project and the standards normally applied. Payment may be made conditional upon the obtaining of results from the services required. The contractual term depends on the period necessary for the completion of the work.
- g) Registration of technical service agreements relating to motor vehicle manufacture, aerial surveys and computers are subject to particularly strict control.
- h) In the specific case of registration of agreements for the transfer of technology in the computer area INPI will only authorize the registration after the Special Secretariat for Informatics (SEI) approves the project. This may also apply where significant software is involved.

2 - Agreement for technical-industrial cooperation

- a) This category covers the provision of know-how and services required for the manufacture of industrial units, machines, equipment and related components and other capital goods.
- b) Conditions for transfer of technology and payment are generally similar to those for industrial technology agreements (item 3 below), but also include the option of payment on a cost plus fixed fee basis, in which case reference to sales or receipts volume are excluded.
- c) The contract is limited to a period of 5 years from the start of production, but may be extended. If an extension is allowed, payments must decrease over the period so as to allow a greater participation by national engineering.
- d) Where the recipient company does not possess the capacity to absorb the technology, services related to product engineering must be contracted by a national engineering/consulting company.
- e) If the product contains an element which is protected by patent in Brazil, a royalty-free licence agreement must be signed.

3 - Agreement for the supply of industrial technology

- a) This covers the transfer of knowledge and know-how not protected by patents registered in Brazil, and intended to be applied to the production of consumer goods.