

UK and Brazil to boost economic relationship

News story

The UK and Brazil made agreements on financial services, taxation, sustainable growth and Green Finance, helping to boost jobs and investments for UK companies.



The fourth Economic and Financial Dialogue (EFD) between the UK and Brazil on 10 December 2020 saw the Chancellor, Rishi Sunak, and the Brazilian Economy Minister Paulo Guedes, meeting to build further economic ties between the two countries. They were joined by central bank Governors and heads of financial sector regulators.

The UK and Brazil have a strong economic relationship, with over 800 British companies currently operating in Brazil. Total trade between the UK and Brazil, including imports and exports as well as goods and services, currently stands at £6 billion in 2020.

The Chancellor and the Economy Minister discussed the importance of continuing to work together to increase market access and cooperating on clean growth and green finance to help tackle climate change and environmental issues ahead of COP26.

Agreements reached include:

- commitment to discuss outstanding barriers to a Double Taxation Agreement, with a view to launching negotiations as swiftly as possible
- a new Financial Markets Dialogue between UK and Brazilian finance ministries and regulators, to discuss financial services issues and support market access asks, opening up new opportunities for British and Brazilian financial services companies
- a commitment to further equalising the treatment of foreign and domestic financial sector companies in Brazil, in particular in the (re)insurance sector(s) supporting UK industry operating or looking to operate in Brazil

- a commitment to deepen connections between our bond markets, including through exploring the feasibility of a Brazilian sovereign issuance in London, and to enhance collaboration on asset management, fintech and Open Banking
- implementation of the UK-Brazil Green Finance programme, to develop the Green Finance market in Brazil, helping to link the expertise of the City with sustainable infrastructure opportunities in Brazil

Ministers also underlined the two countries' international leadership on greening the financial system. Following the Chancellor's recent announcement on making climate-related financial disclosures mandatory by 2025, the UK implemented a roadmap to that timeline aligned with TCFD recommendations. The Brazilian Central Bank, which committed to implementation for financial institutions by the end of 2022, has agreed to close collaboration on implementation of mandatory financial disclosures, and in addition to its membership of the Network for Greening the Financial System, commits to perform stress testing. Both countries committed to working together multilaterally on sustainability issues, including on creating international carbon markets, and the UK warmly encouraged Brazil to join the Coalition of Finance Ministers for Climate Action.

Further information

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