L.O. BAPTISTA

The Special Regime for Asset Update and Regularization (Rearp)

The Federal Government enacted, on November 21, 2025, Law No. 15,265/2025, which creates the Special Regime for Asset Update and Regularization ("Rearp"). The program, established as an optional regime, allows taxpayers to update the value of their assets and regularize undeclared property.

Under this regime, individuals and legal entities may update movable property (land, water, and air vehicles subject to public registration) and real estate (located both in Brazil and abroad) to market value by submitting a declaration regulated by the Federal Revenue Service.

The difference between the asset's acquisition cost and its updated value will be considered an increase in net worth, taxed at the following rates:

(i) 4% IRPF for individuals; and
(ii) 4.8% IRPJ and 3.20% CSLL for legal entities.

It is worth noting that these assets may not be sold in the years following adhesion to Rearp—5 years for real estate and 2 years for movable property—under penalty of disregarding the update effects and triggering full taxation on the capital gain. It should be noted, however, that in this scenario the amounts paid will be adjusted by the SELIC rate and used as a credit against the tax due upon the sale of the asset.

Additionally, the Law provides for the possibility of regularizing assets and rights. Individuals and legal entities resident in Brazil may report assets, rights, and amounts that were not declared or were declared with omissions or inaccuracies regarding essential information.

The taxpayer must formalize this regularization through a specific declaration, including a detailed description of the assets and rights to be regularized, along with information on ownership and origin.

The amount of the assets being regularized will be treated as an increase in net worth acquired on December 31, 2024, subjecting the individual or legal entity to income tax at a 15% rate, plus a penalty equal to 100% of the tax due.

Adhesion to Rearp—whether for asset update or regularization—may be made within up **to 90 days** (ending on February 19, 2026), counted from the publication date of the Law, through submission of the corresponding declaration and payment of the taxes, in up to 36 monthly installments.

Our tax team remains available to provide clarification, assess the applicability of the regime to each specific case, and advise on the appropriate measures.