

A smiling woman wearing a white hairnet and a dark apron with a colorful geometric pattern is cooking at an outdoor stall. She is surrounded by various cooking pots and ingredients. The background shows a lush green wall and some plants. The entire image has a blue tint.

A MICROENTREPRENEUR'S MANUAL

GUIDE TO BECOMING A MEI

FGV 

Summary

➤	Introduction	2
➤	MEI-Individual microentrepreneur and benefits	3
➤	Criteria for becoming MEI and SEBRAE assistance	5
	▶ Conditions to become MEI	5
	▶ SEBRAE assistance	6
➤	Documents required to become MEI	7
	▶ Brazilian identity document	7
	▶ Transmission receipt	8
	▶ Address declaration	9
➤	Becoming MEI	10
	▶ Procedure on the Entrepreneur Portal website	10
	▶ MEI responsibilities	13
➤	Final message	15
➤	Attachment	16

Introduction

This manual is the result of an initiative of FGV+ in partnership with Cáritas RJ. In order to offer more information to refugees about the process for becoming an individual micro-entrepreneur (MEI). This manual the step-by-step of the whole process of formalization, from the benefits of becoming a MEI to the exposure of the responsibilities of the entrepreneur already regularized. We hope to help MEI develop their own businesses and conquer new opportunities in Brazil.

Sincerely, FGV+ Team.





What is MEI?

The individual microentrepreneur (MEI) is a self-employed activity regulated by law. Thus, becoming a MEI means being able to conduct small business activities by means of a CNPJ (national register of legal entities). The MEI performs economic activities without an employer from whom the entrepreneur has to follow orders, and without a formal contract. This can provide greater freedom and less bureaucracy for the business owner. Furthermore, compared to informal work - the one not regulated by law - the MEI has a series of advantages and guarantees, such as those listed in detail below.

Benefits

- Low cost to formalize the enterprise: the MEI does not need to pay for a license - government authorization for operating the business - or to register on the Portal of Entrepreneur (item 4);
- Social Security Coverage: MEI participates in a government social program that guarantees a minimum income for workers in certain situations, such as in cases of illness, maternity and retirement (item 4.2);

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- The MEI can register a maximum of 1 (one) employee, however this hiring occurs with reduced costs: payment of only 3% of Social Security and 8% of FGTS of the minimum wage per month;
 - Single tax declaration: an MEI only needs to declare its billing once a year. This declaration must be made to the government by taxing the "Simples Nacional". Thus, the MEI is exempt from federal taxes (Income Tax, PIS, Cofins, IPI and CSLL);
 - MEIs can meet to form a group (consortium) in order to make large purchases together. This is advantageous because as the volume purchased is larger, micro-entrepreneurs can obtain benefits such as cheaper prices and favourable payment terms;
 - MEI has access to free accounting advice upon registration and option to SIMEI (simplified tax collection system), as well as for the first simplified annual statement. There are a number of accounting firms available to provide this advice in the reporting process.
 - Access to business planning courses to empower entrepreneurs, making them more able to develop their companies. These courses are available free of charge through the SEBRAE Portal website, being offered online and through face-to-face lectures.
 - The MEI is a worker regulated by Complementary Law no. 128, of 2008, which guarantees the protection of the government and greater security for operating the enterprise.

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- It is possible to have, at the same time, registration with the MEI and a work card - a document that formalizes an employment relationship of rights and duties between the employee and the employer - which allows the individual to be an entrepreneur only in his spare time.
 - National Register of Legal Entities (CNPJ): MEI is registered with the National Register of Legal Entities (CNPJ) and, thus, can issue invoices, open a corporate bank account and have access to specific lines of credit (loans).
 - The MEI can participate in public tenders, that is, sell products and provide services to the government, and it is exempt from bookkeeping and the annual balance sheet and economic result survey.

2. Criteria for becoming MEI

2.1. Conditions to becoming MEI

If the individual entrepreneur wants to start or already has a job of his own that earns up to R\$ 81,000.00 per year, he may become an MEI. However, there are some restrictions: the entrepreneur can't participate as a partner, administrator or owner of another company and can only hire a maximum of one employee. In addition, he must perform any of the activities listed in: "<http://www.portaldoempreendedor.gov.br/temas/quero-ser/formalize-se/atividades-permitidas>", and must register for a primary occupation. Finally, the entrepreneur must be at least 18 years old or legally emancipated.



2.2. SEBRAE assistance

SEBRAE, a private non-profit entity, provides free guidance both for the process of formalizing the MEI and to enable the entrepreneur to manage his own business. Consulting the SEBRAE website (www.sebrae.com.br) can be very useful in case of doubts about the effective formalization of this process - such as the criteria necessary to become a MEI - or about how to develop an entrepreneurial activity. It is also possible to register to receive more information.

In SEBRAE's Business Ideas portal, you can find detailed analysis of more than 350 business ideas, allowing an overview of each business to help you choose the one that best fits what you want. The search for each activity can be done in segments or by directly typing the name of the activity in the search box. If you still don't know what you want to work with, the site also presents the most popular ideas.

Then, the website explains what the consumer market is like for this activity; makes recommendations on where to locate to exercise the activity and how to structure the workplace; points out the legal and specific requirements for that business to be regulated by Brazilian law; and helps you think about how to organize your staff. Remember: to be MEI you can only have one employee, totaling two employees - you and whoever you hire.



There are also chapters on necessary equipment, raw materials and merchandise, organization of the production process, automation (when you need technology) and distribution channels. The site also features a discussion focused on economics and finance, dealing with investments, working capital (the financial amount that the company needs to maintain to ensure that the business flows), costs, diversification and adding value (when you offer products and services complementary, going beyond the main and differentiating themselves from the competition and, therefore, attracting a larger audience).

The website also explains how to publicize events and where you can host them, in addition to expanding your business network. Furthermore, it explains tax and tax information involved in the chosen business. The site also helps in the more technical part, bringing entities related to the chosen activity, technical standards and a glossary. In the final chapters, it presents business tips, characteristics necessary for the entrepreneur who wants to exercise that activity and a complementary bibliography from where to get more information.

3. Necessary documents

3.1. Brazilian identity document

To register as an MEI, you must first have a Brazilian identity document. In the case of immigrants and refugees, the documents that serve this purpose are:

- a) Provisional Document of National Migration Registration (Refuge Protocol)
- b) National Migration Registry Card (CRNM)

3.2. How to acquire the DIRF transmission receipt

To register as an MEI, you must first have submitted the Income Tax Declaration as an individual (DIRPF). After all, there is a requirement for obtaining the CNPJ (Legal Entity Register), an essential process to become MEI. For this reason, it will be necessary to receive a transmission receipt from the DIRPF (Individual Income Tax Declaration), which confirms that this declaration was made previously.

The income tax return must be made annually through the Federal Revenue website through the download of the Income Tax program, available at the link:

<https://receita.economia.gov.br/interface/cidadao/irpf/2020/download>

Everyone who received taxable income above R\$ 28,559.70 in the previous year must perform this procedure. They must declare all income, assets, and payments made (which may be deductible) from the previous year. The step by step of this process can be seen on the following link:

<https://investnews.com.br/economia/imposto-de-renda-2020-veja-o-passo-a-passo-para-fazer-a-declaracao/>

You can get this receipt in two ways. The first option is to receive it immediately after performing the DIRPF. It's simple: on the Federal Revenue website, a 12-digit numeric code, which corresponds to the Income Tax receipt, is generated as soon as the declaration is finalized.



Another possibility is to purchase the receipt later using the following steps:

A- Access the website of the Federal Revenue: "www.receita.economia.gov.br"

B - Click on the consultation tab (e-CAC), in the fourth option of the column "Acesso Rápido" (Quick Access)

B.1 - With the digital certificate, just click directly on "Acesso" (Access)

B.2 - Without this Certificate, click on "Gerar Código" (Generate code). With this code, just go back to the beginning of the site and click on "Acessar" (Access)

C - With the "access" tab, it is possible to login on the user's declaration page. On that page, click on "acesso" (access), "Declarações e demonstrativos" (Declarations and statements).

D - On this tab, click on "Extrato de processamento da DIPRF" (DIPRF processing extract).

E - Finally, it will be possible to view the receipt from the DIRPF. It is even viable to issue a new document with this declaration.

3.3. How to perform the address declaration

The individual microentrepreneur, in his formalization process, intends to open a company. Thus, it is necessary to perform the declaration of address, so that this company, represented by the MEI, has a headquarters. The declared address can be the company's own address or the home address of the microentrepreneur.

The referred declaration will be made during the process on the Entrepreneur Portal website (item 4). For this procedure, you will need a document that confirms the address, such as a utility or a water bill. Another option is to make a residency declaration, using the document provided by Federal Law 7.115, which must be printed and signed by the declarant.



4. Becoming MEI

4.1. Procedure on the Entrepreneur Portal website

How to obtain / become anMEI?

1. Have the following documents ready:

- Personal data: Income Tax Return (for foreigners), contact information, and home address. Brazilians can use the RG or the Voter's Identification.
- Data of your business: type of economic activity, form of operation, and location where the business is locate.

2. Access the Entrepreneur Portal, activate the MEI formalization service by clicking on "Quero Ser" (I want to be), then click on "Formaliza-se" (formalize) or "gov.br". The register will allow citizens to have access to the various digital public services, without having to travel, wait , print or authenticate documents.

Attention! You will be directed to the gov.br registration page

- a. If you have registered with gov.br, inform the registered CPF and password;

Note: GovBR account validation is required to access the MEI formalization form.

- b. If you don't have one, click on the "Fazer cadastro" (Make Registration) option.

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- Register at gov.br
 - Fill in your personal data: ID, voter registration or income tax return, contact details and home address.

From this moment, a login and password must be created for registration as an MEI. If you have some of the reliability seals available at Brasil Cidadão, you can use them to perform the registration process.

3. With the login and password created, return to the Entrepreneur Portal to continue your registration process as MEI.

- a. Click on the “Formalize-se” (Formalize) button, available on the Entrepreneur Portal;
- b. On the page that opens, enter your "gov.br" account details.
- c. Authorize access to your data through the Entrepreneur Portal - **REDESIM User Area**;
- d. If requested, inform the receipt number of your income tax return or voter registration;

4. Now, if you prefer, it's time for you to enter your company's fancy name. Check the activities you are going to perform, among those allowed for the MEI (see Attachment) and fill in as the main occupation the one that you will perform most. Also, mark where you will work: at home, at a business address, as a street vendor, door-to-door, via the internet, among others. Remember, the inclusion of one main activity and up to 15 other secondary activities is allowed.



Tip: To choose your company's name, you must fully understand your target audience's needs. It should not be linked with fashion nor should it be too regional. All of this, combined with visual identity and marketing strategies, contributes a lot to the success of the enterprise.

5. Enter the Brazilian zip code of your Brazilian home address and the zip code where your company will operate.

6. Read all the content carefully, especially the mandatory statements to the MEI, and check all options. You now have access to the Individual Microentrepreneur's Condition Certificate, which contains your CNPJ, registration with the Board of Trade and the provisional business license. If you have questions about MEI, contact Sebrae.

Attention! After completing and formalizing the registration, it is time to print and save the necessary documents to prove your formalization and keep it up to date:

1) Individual Microentrepreneur Condition Certificate: it is the document that proves that you are MEI.

2) DAS (Simple National Collection Document): this is the document for the payment of the monthly contribution due by the MEI. You have the option to pay by direct debit or online payment.

3) Monthly Gross Revenue Report (one for each month): it is not mandatory, but the model for recording monthly revenues is important to assist you in making the Simplified Annual Statement (DASN).



The only process that will need to be performed outside the Entrepreneur Portal is to obtain an invoice. The invoice is proof of the sale of a product or service. The MEI does not need to issue an invoice when the end user is an individual (that is, when it is an individual), but it must present a note when the recipient of the goods or service is another company. The next item will teach you how to obtain an invoice.

4.2. Responsibilities of MEI

Finally, after completing the formalization process, it is necessary to remember that the entrepreneur will have to incur certain costs and assume some responsibilities:

A. Costs after formalization

Once the registration is made, the MEI will have to bear the following costs:

1. Contribute to Social Security, which is 5% over the minimum wage (approximately R\$52.00). Although Social Security is a benefit offered to MEI, the payment of this contribution is mandatory. To check the value of the current minimum wage and calculate the exact amount of this contribution, access "www.contabeis.com.br/tabelas/salario-minimo/".
2. Pay R\$1.00 of ICMS for the State - for activities of industry, commerce and interstate cargo transportation - and/or R\$5.00 of ISS for the city - for activities of Municipal Services and Transportation.

B. Duties

1. The entrepreneur must register the total of his income on a monthly simplified form. To do so, he should print and fill out the Monthly Gross Revenue Report every month, according to the model in the Attachment.



2. Pay taxes on time (DAS) on time: DAS payment can be made online, by automatic debit, or in the banking network and lottery houses until the 20th of each month, moving on to the next business day if it is a weekend or holiday.

3. Deliver DASN-SIMEI annually: every year, the MEI must declare the invoicing value of the previous year through DASN (or Simplified Annual Declaration). It can be filled in by MEI itself, until the last day of May of each year, on the Entrepreneur's Portal.

4. Issue invoices to legal entities and keep purchase and sale invoices.

To issue the invoice, follow these steps:

Look for the State Treasury Department - for sales activities and/or inter-municipal and interstate transportation services) or the Municipality - for activities providing services and/or municipal transportation services - to request the Invoice Print Authorization - AIDF (in portuguese, Autorização de Impressão de Nota Fiscal).

Obtained the authorization, look for a printer to make the receipts (blocks) of invoices. The MEI may request the state or municipal Treasury Departments to issue a separate invoice, printed or electronic, whenever necessary, if the issuance of the proper invoice receipts has not been authorized.



Final message

You're all set! Once you have completed all the steps presented, you are ready to begin. Developing your own business is not easy: it takes a lot of study, resilience and dedication. We encourage you to use the information - and information sources - presented in this manual. Becoming an MEI is an important step for those who want to develop their own company and the success of your business is the direct result of careful preparation.



Attachment I - Model Monthly Report

MONTHLY GROSS REVENUE REPORT

CNPJ:

Individual
entrepreneur:

Checking period:

GROSS MONTHLY INCOME - RESALE OF GOODS (TRADE)

I- Resale of goods with exemption from the issuance of tax document	R\$
II- Resale of goods with issued tax document	R\$
III- Total revenue from resale of goods (I+II)	R\$

Attachment I - Model Monthly Report

GROSS MONTHLY INCOME - SALE OF INDUSTRIALIZED PRODUCTS (INDUSTRY)	
IV- Sale of industrialized products with exemption from the issuance of tax document	R\$
V - Venda de produtos industrializados com documento fiscal emitido	R\$
VI - Total revenue from the sale of industrialised products (IV + V)	R\$
GROSS MONTHLY INCOME - SERVICES RENDERED	
VII - Revenue with provision of services with exemption from the issuance of tax document	R\$
VIII - Revenue with services rendered with issued tax document	R\$
IX - Total receipts from the rendering of services (VII + VIII)	R\$

Attachment I - Model Monthly Report

X - Grand total gross revenue for the month (III + VI + IX)	R\$
SIGNATURE OF THE ENTREPRENEUR:	PLACE AND DATE:
ARE ATTACHED TO THIS REPORT: - The tax documents proving the goods and services received for the period; - the invoices relating to any operations or services performed issued.	

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