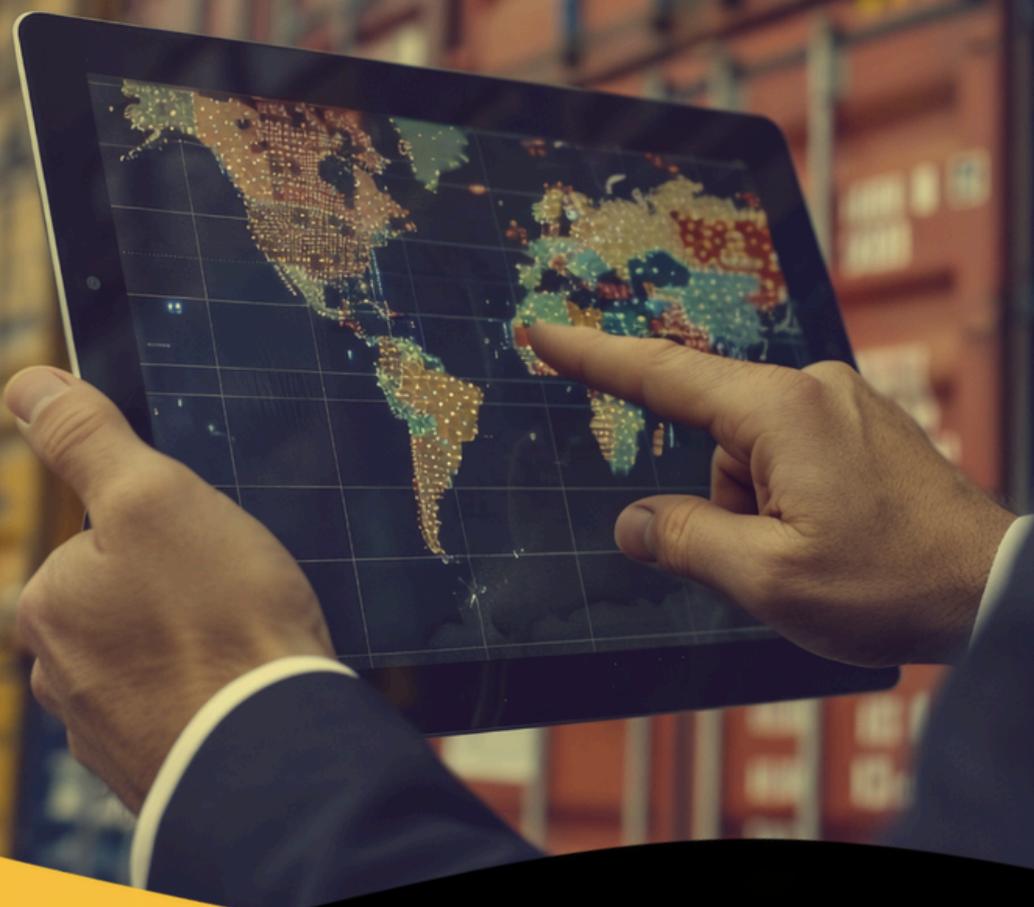


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**RISK MITIGATION IN
INTERNATIONAL MARKET ENTRY**

**FOUNDATIONS, RISKS AND STRATEGIES
FOR BRAZILIAN COMPANIES**



WILTON MAGÁRIO JÚNIOR

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WILTON MAGÁRIO JÚNIOR

AURUM EDITORA LTDA - 2025

Curitiba – Paraná - Brasil

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International Cataloguing in Publication (CIP) Data (Brazilian Book Chamber, São Paulo, Brazil)

Magário Júnior, Wilton

Risk mitigation in international market entry
[e-book] : foundations, risks and
strategies for brazilian companies / Wilton

Magário Júnior ; Translated by Daniel Rodrigues da
Silva. -- 1. ed. -- Curitiba, PR : Aurum Editora,
2026.

PDF

Original title: Mitigação de riscos na entrada
em mercados internacionais: fundamentos, riscos
e estratégias para empresas brasileiras
ISBN 978-65-83849-77-9

1. Business Administration 2. Risk Management
3. Internationalization 4. Mitigation I. Title.

26-345552.0

CDD-658.47

Indexes for systematic catalog:

1. Risk Management: Administration 658.47

Aline Grazielle Benitez - Librarian - CRB-1/3129

DOI: 10.63330/livroautoral402026-

Aurum Editora Ltda

CNPJ: 589029480001-12

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He has published articles in national legal journals, among which the following stand out: “The New Tax Settlement of the Federal Revenue Service” (JusNavegandi, 2025); “Agrarian Debt Crisis in Brazil (2022–2025)” (JusNavegandi, 2025); “The Prescription of the Claim for Collection and Its Effects on the Right to Contractual Termination” (JusNavegandi, 2025); “Current Tax Law: Relevant Issues and Tax Reform in Brazil” (JusNavegandi, 2025); and “Environmental Challenges and Carbon Credits” (JusNavegandi, 2025). He participated as a guest speaker at the 10th BRICS Legal Forum (National OAB and Itaipu Binacional, November 2025).

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PREFACE

The internationalization of companies is, simultaneously, one of the most promising and one of the riskiest frontiers of contemporary business development. For Brazil, the world's twelfth-largest economy, with an export sector that moved more than US\$ 340 billion in 2023 (MDIC, 2024), the question is not whether companies should expand their operations beyond national borders, but how to do so in an informed, structured, and resilient manner.

This work emerges from the convergence of two fields that rarely engage with the necessary depth: academic theory on internationalization and risk management, and the legal and advisory practice accumulated over more than two decades of work in real cases of transnational expansion. The gap between these two universes is precisely where Brazilian companies suffer the greatest avoidable losses.

Studies on the business internationalization process, from the seminal works of Johanson and Vahlne (1977) on the Uppsala model to contemporary approaches to born globals and accelerated internationalization (KNIGHT; CAVUSGIL, 2004), demonstrate that the speed of international expansion has increased exponentially in recent decades. However, the capacity to manage the risks inherent in this process has not kept pace, especially in the context of mid-sized companies from emerging markets.

The World Economic Forum's Global Risks Report (WEF, 2024) ranks geopolitical instability, climate change, and economic inequality as the three greatest systemic risks of the present decade. For companies operating across multiple jurisdictions, these macro risks translate into concrete operational threats: supply chain disruption, abrupt exchange-rate fluctuations, emerging regulatory barriers, and instability among commercial partners.

It is in this context that the work presented here finds its academic justification and practical relevance. Organized as a multidisciplinary contribution articulating Private International Law, Risk Management, Foreign Trade, and Regulatory Compliance, it offers the reader—whether academic, manager, or researcher—a theoretical-methodological framework that combines analytical rigor with concrete applicability.

The proprietary MITO methodology (Magário Integrated Transnational Optimization Model), presented and discussed throughout the chapters, represents an original contribution to the field by systematizing, in a sequential decision model, the main elements that determine the success or failure of an international market entry operation.

May this work contribute to the advancement of scientific knowledge on business internationalization and, at the same time, to the reduction of the avoidable losses that so many Brazilian companies still face when crossing borders without adequate preparation.

São Paulo, February 2026.
Wilton Magário Junior
Organizer



ACKNOWLEDGMENTS

The author thanks the faculty of the Pontifical Catholic University of São Paulo (PUC/SP), especially Professors Dr. Roque Antonio Carrazza, Dr. Paulo de Barros Carvalho, and Dr. Celso Antonio Pacheco Fiorillo, whose contributions to Brazilian Tax and Environmental Law underpin a substantial part of the legal reasoning that permeates this work.

Extended thanks are also due to ApexBrasil, Sebrae, and the Brazilian Foreign Trade Association (AEB), whose research and publications constitute indispensable references for the field of Brazilian business internationalization.

To the Alto Tietê Institute of Mediation and Arbitration (IMAT) and the Alto Tietê Chamber of Mediation and Arbitration (CIMAT), for the environment of professional and academic development that shaped a practical vision of transnational dispute resolution.

To the Brazilian Bar Association, Santana de Parnaíba Subsection, for the trust placed in the Presidency of the Arbitration Commission for the 2025 to 2027 term.



DEDICATION

To the memory of all Brazilian entrepreneurs who tried to cross borders without a map and paid the price of misinformation. May this work honor them by transforming accumulated experience into accessible knowledge for future generations of entrepreneurs and researchers.



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PRESENTATION

This volume brings together seven chapters which, taken together, form a systematic investigation into the mechanisms of risk mitigation in the process of internationalization of Brazilian companies. The work is structured so as to guide the reader from the theoretical foundations of the field to the practical instrumentalization of mitigation strategies, through specific sectoral analyses of the main types of risk faced by companies operating across multiple jurisdictions.

Chapter 1 establishes the theoretical framework of the work, revisiting the classic models of business internationalization and situating the debate on risk management within the context of contemporary literature. Chapter 2 addresses diagnosis as a prior and indispensable step to decision-making on entry into foreign markets, discussing the available analytical instruments and their limitations. Chapters 3 and 4 deepen the analysis of the main types of risk (geopolitical, exchange-rate, regulatory, customs, logistics, and partner-related) and of compliance strategies as a mechanism of mitigation and competitive advantage.

Chapter 5 specifically examines the legal and tax dimensions of internationalization, with emphasis on entry modes and transnational tax planning. Chapter 6 analyzes the critical operational aspects (logistics, contracts, and international arbitration) that determine the continuity and predictability of cross-border operations. Finally, Chapter 7 presents the MITO Methodology® as an original methodological contribution to the field, discussing its structure, foundations, and applicability in diverse business contexts.

Each chapter was prepared according to academic publication standards, including an updated literature review, direct and indirect citations from primary and secondary sources, and critical analysis of the available evidence. Taken together, the work aspires to contribute both to the academic debate on business internationalization and to the training of managers, lawyers, and consultants working in the field of foreign trade and transnational business.

CHAPTER 1

BUSINESS INTERNATIONALIZATION AND RISK MANAGEMENT: THEORETICAL FOUNDATIONS

Abstract

This chapter examines the theoretical foundations of the business internationalization process and its interface with contemporary literature on risk management. Drawing on a critical review of classical models, particularly the Uppsala Model (JOHANSON; VAHLNE, 1977, 2009), Dunning's Eclectic Paradigm (1980, 1988), and the born globals approach (KNIGHT; CAVUSGIL, 2004), the chapter analyzes how the acceleration of internationalization processes over recent decades has broadened the risk spectrum faced by companies, especially those from emerging economies such as Brazil. The role of geopolitical instability, technological transformations, and regulatory pressures as determinants of the contemporary international risk environment is also discussed, with reference to the World Economic Forum's Global Risks Report 2024 (WEF, 2024).

Keywords: Business internationalization, Risk management, Uppsala Model, Eclectic Theory, Emerging markets, Brazil.

THE FIELD OF BUSINESS INTERNATIONALIZATION: A CRITICAL REVIEW

Business internationalization has been one of the central themes on the research agenda in Management and International Economics over the last five decades. Since Hymer's pioneering work (1960) on firm-specific advantages that justify foreign direct investment, the field has evolved substantially, incorporating new theoretical perspectives, new geographic contexts, and new patterns of business behavior.

The so-called Uppsala Model, developed by Johanson and Vahlne (1977) based on studies of Swedish companies, established one of the fundamental landmarks of the field by proposing that internationalization occurs in a gradual and incremental way, conditioned by the accumulation of knowledge about the foreign market and by the progressive reduction of "psychic distance" in relation to

it. According to the authors, “lack of knowledge is an important obstacle to the development of international operations” (JOHANSON; VAHLNE, 1977), and this knowledge is acquired predominantly through direct experience in the market.

Although influential, the Uppsala model was criticized for its inability to explain non-linear and accelerated patterns of internationalization, especially those observed in companies in technology- and knowledge-intensive sectors. In a review published three decades after the original work, the authors themselves acknowledged the need to incorporate into the model the relational dimension and the centrality of business networks: “the internationalization process is seen as a process of developing positions in networks” (JOHANSON; VAHLNE, 2009).

Dunning’s Eclectic Theory (1980, 1988), also known as the OLI Paradigm (Ownership, Location, Internalization), offers a complementary approach by proposing that the decision to internationalize, and the way in which it occurs, is determined by the interaction of three sets of advantages: ownership-specific advantages (O), host-country locational advantages (L), and internalization advantages (I). This analytical framework remains widely used in the literature, although it has been adapted to incorporate dynamic and institutional dimensions not present in the original formulation (DUNNING; LUNDAN, 2008).

A more recent theoretical development, and one of increasing relevance to the Brazilian context, is the literature on born globals and accelerated internationalization. Knight and Cavusgil (2004) define born globals as “business organizations that, from inception, seek significant competitive advantage from the use of resources and the sale of outputs in multiple countries.” This phenomenon, originally observed in advanced economies with high-technology sectors, has also begun to occur in emerging economies, including Brazil, driven by the digitalization of markets and the reduction of communication and international logistics costs.

RISK IN INTERNATIONALIZATION: CONCEPT, TYPOLOGY, AND ANALYTICAL DIMENSIONS

The notion of risk in the context of business internationalization is multidimensional and cannot be reduced to the probability of financial loss. The literature generally distinguishes between risk and uncertainty, the former being associated with events whose probability can be estimated and the latter with situations of radical indeterminacy, in which the analytical categories themselves are insufficient to anticipate possible developments (KNIGHT, 1921).

For Cavusgil, Knight, and Riesenberger (2012, p. 89), risks in internationalization can be classified into four broad categories: (1) country risk, which encompasses political, economic, and social instabilities in the host market; (2) exchange-rate risk, associated with fluctuations in exchange rates; (3) commercial risk, related to the behavior of customers, suppliers, and commercial partners; and (4) interfunctional risk, arising from inadequacies in the company's internal systems to deal with international operations.

“As companies internationalize without a systematic process of risk identification and assessment, they are, in practice, transferring to chance decisions that should be the object of deliberate strategic planning. **(GRANT THORNTON BRAZIL, 2024)**

In the contemporary international environment, this typology must be expanded to incorporate emerging dimensions of risk that were not present with the same intensity in previous decades. The World Economic Forum's Global Risks Report 2024 (WEF, 2024) identifies, among the ten greatest global risks for the 2024–2034 period, in the categories of impact and probability, phenomena such as extreme climate events, geopolitical polarization, disinformation amplified by artificial intelligence, erosion of social cohesion, and natural resource crises. For companies with transnational operations, each of these macro vectors translates into specific operational risks that must be identified, assessed, and managed.

The Brazilian Foreign Trade Association (AEB, 2024) emphasizes that, in the Brazilian context, regulatory risk and customs compliance risk assume a particularly critical dimension. The complex national tax system, with its peculiarities in relation to international practices, creates additional

challenges for companies attempting to structure export operations without adequate legal and advisory support. The absence of an accurate regulatory diagnosis is identified by AEB as one of the main explanatory factors behind cases of paralysis in foreign trade operations by Brazilian companies.

INTERNATIONALIZATION OF BRAZILIAN COMPANIES: STATE OF THE ART AND SPECIFIC CHALLENGES

The internationalization process of Brazilian companies presents specific characteristics that distinguish it from the patterns observed in high-income countries. Fleury and Fleury (2012) identify that Brazilian multinationals tend to internationalize first toward geographically and culturally close markets (Latin America and Portugal), expanding to more distant markets in subsequent stages—a pattern consistent with the predictions of the Uppsala Model, but with specificities conditioned by the domestic institutional environment.

The Brazilian macroeconomic context adds layers of complexity to the internationalization process. The structural exchange-rate volatility of the real, resulting from a combination of historical, institutional, and economic policy factors, imposes on exporting companies an exchange-rate risk that goes beyond what is normally observed in countries with more stable currencies. According to data from the Central Bank of Brazil, the real underwent depreciations greater than 30% in at least four of the last fifteen years, with direct impacts on the competitiveness and margins of foreign trade operations.

Sebrae (2023) highlights that small and medium-sized Brazilian companies, which represent most of the national business fabric, face additional difficulties in internationalization, mainly related to the scarcity of information about foreign markets, the lack of specific training in foreign trade, and difficulty in accessing financial instruments for risk mitigation, such as export credit insurance and exchange-rate hedging mechanisms.

It is in this context that the role of export support institutions—ApexBrasil, Sebrae, AEB, and bilateral chambers of commerce—assumes central relevance. ApexBrasil's Export Qualification Program

(PEIEX) (2025), for example, constitutes a diagnostic and training instrument that seeks precisely to fill the knowledge and preparation gaps that make the internationalization process riskier for Brazilian companies.

THEORETICAL SYNTHESIS OF THE CHAPTER

The literature on business internationalization converges on a set of fundamental premises: (a) internationalization is a process that requires accumulated knowledge and the progressive construction of capabilities; (b) risk is an inherent and multidimensional dimension of any process of cross-border expansion; (c) the specific characteristics of the domestic environment, especially in the case of Brazil, significantly condition the strategies and outcomes of internationalization; and (d) institutional support and structured preparation are determining factors in reducing failure in international operations.

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CHAPTER 2

STRATEGIC DIAGNOSIS AS A PRIOR STEP TO THE DECISION TO ENTER FOREIGN MARKETS

Abstract

This chapter analyzes strategic diagnosis as a preliminary and indispensable step in the business internationalization process. Drawing on the distinction between the firm's internal readiness and the external attractiveness of the target market, it discusses the relevance of diagnostic instruments available to Brazilian companies, with emphasis on ApexBrasil's Export Qualification Program (PEIEX) and Sebrae's export preparation guidelines. The literature on market selection and the Resource-Based View (RBV) theory are examined as foundations for the entry decision-making process, discussing market selection criteria and the dimensions of analysis that should be part of a consistent export diagnosis.

Keywords: Strategic diagnosis, International market selection, Export readiness, Resource-Based View, ApexBrasil.

THE DECISION TO INTERNATIONALIZE: ANTECEDENTS AND CONDITIONING FACTORS

The decision to internationalize a company is one of the most complex in the universe of corporate strategic decisions. Unlike short-term operational or financial decisions, internationalization implies the commitment of significant resources, exposure to unfamiliar institutional environments, and organizational transformations that are often underestimated. For this reason, the specialized literature has consistently identified prior strategic diagnosis, both internal and external, as a necessary—though not sufficient—condition for the success of international expansion.

Andersen (1993), in a critical review of internationalization models, argues that the distinction between internationalization as a gradual process (Uppsala) and internationalization as a rational decision based on opportunity analysis is not exclusive, but complementary. In business practice, the two logics coexist: the company learns over time, but it also deliberates strategically on the basis of analyses of the

market and internal capabilities. Strategic diagnosis is the mechanism that allows this deliberation to be informed and structured rather than intuitive and unlikely.

Barney (1991), in his seminal work on the Resource-Based View (RBV), argues that sustainable competitive advantage derives from resources that are simultaneously valuable, rare, inimitable, and organizationally exploitable (the VRIO criterion). Applied to the context of internationalization, RBV suggests that the decision to enter a foreign market should be preceded by an honest assessment of the resources and capabilities the company possesses that are transferable and exploitable in the international environment, and of those that need to be developed or acquired.

In the Brazilian context, this assessment of internal capabilities is often neglected. Companies tend to assess their export readiness in one-dimensional terms—“we have a competitive product”—without considering the organizational, financial, operational, and managerial capabilities that are equally determinant for the success of the international operation. ApexBrasil (2025) structures PEIEX precisely to fill this gap, offering a multidimensional diagnosis that evaluates the company in six functional areas: management, market, finance, product, human resources, and information technology.

SELECTION OF INTERNATIONAL MARKETS: CRITERIA AND METHODOLOGIES

Selecting the target market for internationalization is a high-impact strategic decision that the literature approaches from different methodological perspectives. Koch (2001) proposes a taxonomy of market selection approaches that ranges from the systematic pole—based on structured analysis of multiple criteria—to the non-systematic pole, based on contingent opportunities or incremental decisions without formal planning. The author argues that systematic approaches produce significantly better results in terms of performance in foreign markets.

Among the criteria most frequently used in the literature for selecting international markets, the following stand out: (1) market size and growth; (2) level of competition and industry structure; (3) psychic and cultural distance; (4) political and regulatory stability; (5) tariff and non-tariff barriers; (6)

logistics infrastructure; and (7) characteristics of the local consumer profile. The relative weighting of these criteria varies according to the sector of activity, the company's business model, and the stage of development of its international capabilities.

In the specific context of Brazilian companies, regulatory distance and institutional distance assume particular relevance. The concept of “liability of foreignness”—the additional burden borne by companies operating in institutional environments other than their own origin (HYMER, 1960; ZAHEER, 1994)—is amplified in the case of Brazilian companies by the specificity of the domestic legal and tax system, which differs considerably from international standards in various respects. Brazilian exporters often underestimate the regulatory adaptation effort required to operate in compliance with the requirements of markets such as the United States or the European Union.

DIAGNOSTIC TOOLS: FROM THEORY TO PRACTICE

The literature on export diagnosis converges on the identification of two fundamental analytical dimensions that must be assessed in parallel: the firm's internal readiness (export readiness) and the external attractiveness of the target market (market attractiveness). The interaction between these two dimensions determines the strategic feasibility of internationalization at a given moment for a given company.

The concept of export readiness, systematized by authors such as Czinkota (1982) and Leonidou et al. (2007), refers to the set of internal company conditions that determine its ability to sustain foreign trade operations with quality and continuity. These conditions include surplus or expandable productive capacity, tax and documentary regularity, financial capacity to support the longer payment cycles typical of international operations, and managerial competencies in foreign trade, including knowledge of Incoterms, exchange rates, documentation, and customs regulation.

Market attractiveness analysis, in turn, can be operationalized through different methodologies, ranging from simple analyses based on secondary data on bilateral trade (such as those available in

Comex Stat of the Ministry of Economy) to multivariate scoring models that weigh multiple selection criteria. Logtrade (n.d.) offers a checklist of factors to be reviewed before any foreign trade operation, including logistical, documentary, regulatory, and financial dimensions, thus constituting a practical instrument of integrated diagnosis.

From a methodological standpoint, what both literature and practice converge in recommending is that export diagnosis should not be a one-time event, but rather a continuous process of monitoring internal and external conditions. Knezevic (2025), in a recent analysis published in *Risk Management Magazine*, argues that building business resilience in the international environment requires not only an initial diagnosis, but also systems for continuous monitoring of the risk environment, which presupposes specific organizational and technological structures that few mid-sized companies adequately possess.

THEORETICAL SYNTHESIS OF THE CHAPTER

Strategic diagnosis prior to internationalization is a methodologically grounded and empirically validated step as a determining factor in the success of international operations. The literature converges around two central analytical dimensions—internal readiness and market attractiveness—and recommends systematic approaches to market selection. In the Brazilian context, regulatory distance and the scarcity of specific foreign trade capabilities reinforce the importance of institutional instruments supporting export diagnosis.

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CHAPTER 3

TYPOLOGY AND ANALYSIS OF RISKS IN INTERNATIONALIZATION

Abstract

This chapter proposes and analyzes a comprehensive typology of risks faced by Brazilian companies in internationalization processes. Based on the review of specialized literature and institutional sources, particularly the Global Risks Report 2024 (WEF, 2024) and the AEB mapping (2024), six risk groups are identified and examined: geopolitical, exchange rate, regulatory, customs-tax, logistics, and partner/third-party risks. For each group, the risk generation mechanisms, their specific operational manifestations in the context of Brazilian exports, and the main mitigation strategies identified in the literature are discussed. The chapter argues that the interdependence between these risk groups justifies an integrated management approach, rather than the usual compartmentalized treatment.

Keywords: Risk management, Geopolitical risk, Exchange rate risk, Regulatory risk, Customs risk, Internationalization.

GEOPOLITICAL RISK AND INTERNATIONAL INSTABILITY

Geopolitical risk represents one of the most complex and least controllable dimensions of the international business environment. Its definition in the economic and international relations literature involves threats, uncertainties, and potential disruptions arising from armed conflicts, diplomatic tensions, changes in political regimes, economic sanctions, and rearrangements in geopolitical alliances among nations (CALDARA; IACOVIELLO, 2022).

The World Economic Forum's Global Risks Report 2024 ranks "gloeconomic confrontation" and "geopolitical polarization" among the ten greatest global risks in terms of probability for the 2024–2034 period (WEF, 2024). For companies operating in multiple countries, this scenario translates into concrete risks: disruption of logistics routes, freezing of assets in sanctioned countries, difficulties in repatriating capital, and exclusion from supply chains controlled by specific geopolitical actors.

“Geopolitical tensions and sanctions can interrupt operations without prior notice; exchange-rate fluctuations directly affect margins; regulatory non-compliance generates fines, restrictions, and reputational losses.” (AEB, 2024)

The mitigation strategies for geopolitical risk most frequently referenced in the literature include the geographic diversification of markets and suppliers (thereby avoiding excessive dependence on a single region), the continuous monitoring of political risk indicators through sources such as the International Country Risk Guide (ICRG) and the Political Risk Services Group, and the inclusion of sufficiently broad force majeure clauses in international contracts to cover disruptions of a geopolitical nature.

EXCHANGE-RATE RISK: MECHANISMS AND MITIGATION INSTRUMENTS

Exchange-rate risk arises from variations in exchange rates between the exporter’s domestic currency and the currency in which the contract or international transaction is denominated. For Brazilian companies, this risk assumes a particularly significant dimension due to the structural volatility of the real, one of the most volatile currencies among the emerging economies of the G20, and the informational asymmetry that frequently characterizes exchange-rate negotiations conducted by small and medium-sized companies without access to sophisticated financial management instruments.

Shapiro (2014) classifies exchange-rate risk into three analytical categories: transaction risk (the exposure of short-term cash flows to exchange-rate variations between the closing and settlement of the contract), translation risk (the impact of exchange-rate variations on the consolidated income statement of groups with subsidiaries in multiple currencies), and economic risk (the long-term effect of exchange-rate variations on the company’s competitiveness and market value). For Brazilian companies in the early stages of internationalization, transaction risk is typically the most relevant and the one most frequently managed inadequately.

The principal exchange-rate hedging instruments available to Brazilian exporters include exchange contracts in the forward market, currency futures contracts on B3 (the Stock Exchange,

Commodities, and Futures Exchange), currency options, and non-deliverable forwards (NDFs). The choice among these instruments depends on the volume of operations, the time horizon of the exposure, and the company's risk appetite. The Central Bank of Brazil regulates the foreign exchange market through BCB Resolution No. 277/2022 and supplementary regulations, which establish the conditions for the contracting and registration of these operations.

REGULATORY, CUSTOMS, AND TAX RISK

Regulatory risk in internationalization refers to the possibility that changes in the regulatory framework of the destination country, or even of the country of origin, may render the operation more costly, more restrictive, or unfeasible. In a context of accelerated global regulatory transformation, driven by agendas such as the energy transition, the digitalization of the economy, and the tightening of international sanctions regimes, this risk assumes growing importance for any company engaged in cross-border operations.

The customs dimension of this risk is particularly relevant for exporters. Incorrect tariff classification of goods, based on the Mercosur Common Nomenclature (NCM) in the Brazilian case, or on the Harmonized System (HS) internationally, may result in incorrect tax payment, cargo retention, the imposition of penalties, and, in extreme cases, confiscation of goods. According to Logtrade (n.d.), the periodic review of the tariff classifications used in export operations is one of the preventive measures with the greatest return in customs risk management.

The tax dimension adds a specific layer of complexity. Transnational tax planning—which involves the efficient structuring of operations to minimize the total tax burden without engaging in tax evasion practices—requires in-depth knowledge both of Brazilian tax legislation (including the transfer pricing rules established by Law No. 14,596/2023, which aligned the Brazilian system with OECD standards) and of the legislation of the destination country, as well as any applicable international treaties to avoid double taxation.

LOGISTICS RISK AND THE RISK OF COMMERCIAL PARTNERS

Logistics risk in international operations comprises the possibility of disruptions, delays, losses, or damage in the transportation and distribution chain that reduce the reliability and efficiency of foreign trade operations. The global logistics scenario has become progressively more unstable in recent decades, with episodes such as the COVID-19 pandemic (2020–2022), tensions in the Red Sea (2023–2024), and recurring climate-related disruptions demonstrating the fragility of supply chains that are excessively optimized and possess little redundancy.

Logtrade (n.d.) identifies the principal vectors of logistics risk for Brazilian exporters: inadequate choice of transportation mode, freight contracts lacking adequate protective clauses, insufficient cargo insurance, absence of contingency plans for delays or losses, and dependence on a single logistics operator or port of departure. Mitigating these risks requires both the diversification of routes and operators and the standardization of documentary procedures that minimize errors in the customs clearance phase.

The risk associated with commercial partners—distributors, agents, representatives, and local partners—is frequently underestimated in terms of both magnitude and impact. Bello and Gilliland (1997) demonstrate that the quality of the relationship with international distributors is one of the factors most strongly correlated with long-term export performance. Inadequate due diligence on partners, including verification of financial background, regulatory compliance history, reputation in the local market, and alignment of strategic objectives, is identified as one of the principal causes of contractual disputes, financial losses, and reputational damage in international operations (KNEZEVIC, 2025).

THEORETICAL SYNTHESIS OF THE CHAPTER

The typology of risks in internationalization reveals that the six identified groups—geopolitical, exchange-rate, regulatory, customs-tax, logistics, and partner-related—do not operate in isolation, but rather in systems of interaction and mutual amplification. The Red Sea logistics crisis of 2023–2024, for

example, was simultaneously a geopolitical risk (conflict in the Middle East), a logistics risk (route diversion), and an exchange-rate risk (impact on costs denominated in dollars). Truly effective risk management must therefore adopt a systemic perspective that recognizes and models these interdependencies.

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CHAPTER 4

COMPLIANCE AS A MITIGATION STRATEGY AND COMPETITIVE ADVANTAGE

Abstract

This chapter examines corporate compliance as a risk mitigation mechanism and, simultaneously, as a source of competitive advantage in the context of business internationalization. Drawing on a critical review of the literature on compliance, corporate governance, and ESG (Environmental, Social and Governance), it analyzes how regulatory compliance transcends its mandatory dimension to constitute a strategic asset in demanding international markets. Three pillars of minimum viable compliance for international operations are discussed: legal compliance, contractual compliance, and ESG compliance with reference to documented cases of the positive impact of compliance system implementation on the export performance of Brazilian companies.

Keywords: Compliance, Corporate governance, ESG, Competitive advantage, Regulatory compliance, Internationalization.

CORPORATE COMPLIANCE: FOUNDATIONS AND CONCEPTUAL EVOLUTION

The concept of corporate compliance—from the English to comply, meaning to conform—refers to the set of mechanisms, policies, and processes by which an organization ensures that its operations are in conformity with the legal, regulatory, and ethical norms applicable to its business environment. Although the term originated in the North American financial sector, where compliance with the rules of regulatory agencies such as the SEC (Securities and Exchange Commission) and the Federal Reserve had been mandatory since the mid-twentieth century, its scope has expanded dramatically in recent decades to encompass virtually all sectors and dimensions of business activity.

Sarbanes (2015) identifies three evolutionary generations in the concept of corporate compliance. The first generation, predominant until the end of the 1990s, was characterized by a reactive and punctual approach: compliance as a response to violations that had already occurred or to immediate external regulatory pressures. The second generation, marked by the corporate scandals of the 2000s (Enron,

WorldCom) and subsequent regulation (Sarbanes-Oxley Act, 2002), instituted formal systems of internal control and auditing. The third generation, contemporary in nature, is characterized by the integration of compliance into corporate strategy: compliance as a generator of value and not merely as a cost center.

In the context of business internationalization, this third generation of compliance is particularly relevant. International corporate clients, especially in North American and European markets, conduct rigorous due diligence processes on potential suppliers, including the assessment of compliance systems, regulatory compliance history, quality and environmental certifications, and alignment with ESG principles. Companies that fail to meet these standards are simply not considered viable commercial partners, regardless of the quality or price of their products.

LEGAL-REGULATORY COMPLIANCE IN INTERNATIONAL OPERATIONS

The legal-regulatory dimension of compliance for international operations encompasses a heterogeneous set of obligations that vary according to the country of origin, the destination country, the sector of activity, and the operational model adopted. For Brazilian companies, the principal dimensions include: (1) regular standing before the Brazilian Federal Revenue Service and registration in SISCOMEX (Integrated Foreign Trade System), required for all export operations; (2) compliance with the foreign exchange regulations of the Central Bank of Brazil; (3) compliance with the sanitary and phytosanitary rules of MAPA (Ministry of Agriculture, Livestock, and Food Supply), where applicable; and (4) observance of export restrictions imposed by Brazilian legislation for certain products and destinations.

At the international level, regulatory compliance requires knowledge of the specific rules of each destination market. In the United States, for example, compliance with FDA (Food and Drug Administration) regulations is mandatory for exports of food, beverages, and pharmaceutical products, while observance of CPSC (Consumer Product Safety Commission) standards is required for a wide range of consumer products. The European Union, in turn, imposes the CE Marking system for products

that must meet specific directives on safety, health, and environmental protection before being marketed within the bloc.

Failure to comply with these regulatory obligations generates consequences that go far beyond administrative fines. AEB (2024) documents cases in which the absence of regulatory compliance resulted in: retention and destruction of cargo by customs authorities; prohibition of market access; contractual litigation with buyers who suffered damages arising from non-compliant goods; and reputational harm that rendered the continuation of operations in the affected market unfeasible for prolonged periods.

CONTRACTUAL COMPLIANCE AND ARBITRATION AS A PREVENTIVE MECHANISM

The contractual dimension of compliance refers to the proper structuring of the agreements governing international operations—international sale and purchase agreements, distribution agreements, commercial agency contracts, joint venture agreements, and other legal instruments formalizing the relationships between the company and its foreign partners.

The literature on international contracts consistently emphasizes that contractual quality—measured by the clarity of clauses, the adequacy of obligations to the parties' capabilities, the provision of efficient dispute resolution mechanisms, and the precise specification of the applicable law and competent forum—is a significant predictor of the success of international operations (BELL; BARKEMA; VERBEKE, 1997). Well-structured international contracts reduce behavioral uncertainty, facilitate the alignment of expectations, and provide clear instruments for the management of disputes when these inevitably arise.

The arbitration clause assumes a central role in this dimension. International arbitration, governed at the multilateral level by the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958), already ratified by more than 170 countries, offers substantive advantages over judicial litigation in cross-border commercial disputes: confidentiality of the proceedings, relative speed,

specialization of arbitrators, and enforceability of decisions in multiple jurisdictions. Experience at the Alto Tietê Chamber of Mediation and Arbitration (CIMAT) and in arbitration cases conducted within the scope of the Alto Tietê Institute of Mediation and Arbitration (IMAT) confirms that companies adopting arbitration as a mechanism for resolving contractual disputes significantly reduce their dispute resolution costs and timelines when compared with judicial alternatives.

ESG COMPLIANCE AND THE NEW FRONTIER OF INTERNATIONAL COMPETITIVENESS

The ESG agenda (Environmental, Social and Governance) has, in the present decade, shifted from an emerging trend to an effective requirement for participation in relevant global value chains. The European Union Taxonomy Regulation (EU Regulation 2020/852), the Corporate Sustainability Reporting Directive (CSRD, 2022), and the growing due diligence requirements in supply chains, such as the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, 2021), establish concrete obligations for companies seeking access to the European market.

The case of PPA Indústria e Comércio Ltda. (Protack Adesivos), a company in the industrial adhesives sector, concretely illustrates the positive impact of implementing a robust environmental compliance system on export performance. The implementation of a framework aligned with ISO 14001 not only eliminated environmental fines totaling R\$ 2 million per year, but also resulted in a 30% increase in exports to the United States—demonstrating that environmental compliance is not merely an ethical or regulatory obligation, but a direct factor of competitiveness in demanding markets.

WEF (2024) projects that pressure for ESG compliance on companies of all activities and sizes will continue to grow in the coming decades, driven both by regulation and by the preferences of consumers and institutional investors. For Brazilian companies aspiring to operate in high value-added international markets, building ESG compliance capabilities is therefore a strategic investment with increasing returns.

THEORETICAL SYNTHESIS OF THE CHAPTER

Corporate compliance in its third generation—integrated into strategy and oriented toward value generation—constitutes simultaneously a mechanism for risk mitigation and a source of competitive advantage in international markets. The convergence among the legal-regulatory, contractual, and ESG dimensions of compliance defines what this chapter terms “minimum viable compliance” for sustainable international operations—a set of conditions whose presence does not guarantee success, but whose absence makes failure statistically inevitable.

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CHAPTER 5

LEGAL AND TAX STRUCTURE IN INTERNATIONALIZATION

RESUMO

Este capítulo analisa as dimensões jurídica e tributária do processo de internacionalização empresarial, com ênfase nas decisões de estruturação que determinam a eficiência, a conformidade e a sustentabilidade das operações além-fronteiras. A partir de uma revisão da literatura sobre modos de entrada em mercados externos (ANDERSON; GATIGNON, 1986; HILL; HWANG; KIM, 1990), examina-se o continuum de alternativas estruturais disponíveis, da exportação direta à subsidiária integral, e suas implicações jurídicas, tributárias e operacionais. O capítulo aborda ainda o planejamento tributário transnacional no contexto brasileiro pós-Reforma Tributária (Lei nº 14.596/2023), discutindo as novas regras de preços de transferência, a tributação sobre remessas ao exterior e os tratados internacionais para evitar a dupla tributação.

Palavras-chave: Modos de entrada, Planejamento tributário transnacional, Preços de transferência, Estruturação jurídica, Reforma tributária.

MODES OF ENTRY INTO FOREIGN MARKETS: A DECISION-MAKING FRAMEWORK

The choice of mode of entry into a foreign market is a high-impact strategic decision that determines the level of control over operations, exposure to risks, the volume of resources committed, and the speed of learning about the destination market. The literature on entry modes—which dates back to the pioneering works of Anderson and Gatignon (1986) and was extensively developed in the following decades—classifies the alternatives into three broad categories: exportation, contractual forms (licensing, franchising, management contracts), and foreign direct investment (FDI).

Hill, Hwang, and Kim (1990) propose that the choice of entry mode should be determined by the weighting of three key factors: (1) the desired level of control over operations and over transferred knowledge; (2) the volume of resources (financial, human, technological) available for commitment in the foreign market; and (3) the firm's capacity to prevent knowledge dissipation (the risk that local partners

will reapply the acquired knowledge in competing activities). The interaction of these factors, in specific sectoral and market contexts, determines which entry mode is strategically most appropriate.

In the context of medium-sized Brazilian companies, which make up the majority of firms with export ambitions, the reality of the decision-making process is more complex and often less rational than theoretical models suggest. The decision regarding entry mode is often conditioned by contingent factors, such as the availability of a trusted local partner, the existence of a personal contact in the destination market, or the financing conditions of a specific transaction, without there being a formal process for evaluating the available alternatives and their trade-offs.

STRUCTURING MODALITIES AND THEIR LEGAL-TAX IMPLICATIONS

Direct export, a modality through which the Brazilian company sells directly to buyers abroad without establishing a physical presence in the destination market, is the simplest form of entry from a structural standpoint, though not necessarily the least complex from a regulatory and operational perspective. From the standpoint of Brazilian taxation, export revenues are immune from ICMS (art. 155, §2, X, a, of the Federal Constitution of 1988), exempt from PIS/COFINS (Law No. 10,865/2004), and exempt from IPI (Decree No. 7,212/2010), which gives export operations a relatively favorable domestic tax structure.

The use of local representatives or distributors in the destination market adds structural complexity to the process, since it entails the need for well-structured international contracts that precisely define the obligations, compensation, and responsibilities of each party. The legal distinction between the commercial representation contract (in which the representative acts on behalf of the exporting company) and the distribution contract (in which the distributor acquires ownership of the goods and resells them on its own account) has tax, labor, and civil liability implications in the destination country that must be assessed on a case-by-case basis.

The establishment of a wholly owned subsidiary abroad, the modality involving the greatest level of commitment and control, requires a detailed analysis of the corporate laws of the two countries involved, the rules on capitalization and profit repatriation, and the applicability of international treaties to avoid double taxation. In the specific case of Brazil–United States operations, which constitute one of the main axes of internationalization for Brazilian companies, the absence of a double taxation treaty between the two countries (a matter that has been under discussion for decades without conclusion) makes careful structuring necessary to prevent the same profits from being fully taxed in both jurisdictions.

TRANSNATIONAL TAX PLANNING: THE NEW BRAZILIAN RULES

The enactment of Law No. 14,596/2023 represented a significant transformation in the Brazilian transfer pricing regime, bringing it closer to OECD (Organisation for Economic Co-operation and Development) standards and to the so-called arm's length principle—according to which transactions between related parties in different countries must be priced as if they had been conducted between independent parties under normal market conditions. This change has direct implications for Brazilian companies with international structures involving related parties.

Before the reform, the Brazilian transfer pricing system was based on fixed margins and pre-established methods that often resulted in tax treatment diverging from the international standard, creating risks of double taxation and friction with tax authorities in other countries. The new system, which enters into force progressively, with mandatory application beginning in 2025, adopts methods recognized by the OECD and requires more robust documentation of the pricing policies used in intercompany transactions, increasing compliance costs but reducing the risk of tax assessments and conflicts with the Federal Revenue Service.

Efficient transnational tax planning in this new context requires a combined analysis of Brazilian tax legislation, the legislation of the destination country, applicable international treaties (including the

treaties to avoid double taxation signed by Brazil with countries such as Portugal, Argentina, China, Austria, and others), and the OECD guidelines on Base Erosion and Profit Shifting (BEPS). Experience in tax optimization projects for companies with Brazil–United States operations demonstrates that preventive planning, carried out before the commencement of international operations, substantially reduces the total tax cost in comparison with attempts at restructuring after the fact.

THEORETICAL SYNTHESIS OF THE CHAPTER

The legal and tax structuring of internationalization is a strategic dimension that decisively conditions the economic viability and sustainability of cross-border operations. The continuum of entry modes, from direct export to FDI, must be assessed according to simultaneously strategic, legal, and tax criteria, taking into account both the Brazilian regulatory context and that of the destination market. Brazil's 2023 tax reform and convergence with OECD standards raise the level of sophistication required for transnational tax planning, making the support of specialized advisory services indispensable from the initial structuring phase of international operations.

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CHAPTER 6

CRITICAL OPERATIONAL ASPECTS: LOGISTICS, CONTRACTS, AND INTERNATIONAL ARBITRATION

Abstract

This chapter examines the critical operational aspects that determine the efficiency, continuity, and predictability of foreign trade operations, focusing on three interdependent dimensions: international logistics, contractual structuring, and dispute resolution through international arbitration. The logistics dimension analysis covers modal selection, Incoterms, document management, and strategies to mitigate risks of disruption in the distribution chain. The contractual dimension examines the essential elements of international sale and distribution contracts. The arbitral dimension analyzes the international commercial arbitration system as a preventive and resolute mechanism for disputes, with reference to the New York Convention and Brazilian arbitration experience.

Keywords: International logistics, Incoterms, International contracts, Commercial arbitration, Dispute resolution, Foreign trade.

INTERNATIONAL LOGISTICS: MANAGEMENT OF OPERATIONAL RISKS

International logistics constitutes the most tangible and, frequently, the most vulnerable operational dimension of foreign trade operations. Unlike strategic and regulatory risks, which manifest over longer time horizons and are partially predictable based on contextual analysis, logistics risks are often disruptive and unpredictable in nature, with impacts that materialize rapidly and impose direct costs on the operation.

Bowersox, Closs, and Cooper (2007) define international logistics as the set of activities responsible for the flow of materials, information, and financial resources among countries, including transportation, warehousing, inventory management, order processing, and document management. In the context of Brazilian foreign trade, this definition encompasses everything from preparing the product for export—including proper packaging, labeling in compliance with the destination country's standards, and

complete tax documentation—to shipment tracking and the management of customs clearance at destination.

Logtrade (n.d.) identifies the principal vectors of logistics risk for Brazilian exporters in a mitigation checklist covering dimensions of transportation, documentation, customs compliance, and insurance. Among the critical points highlighted is the tariff classification of goods under the Mercosur Common Nomenclature (NCM) and the Harmonized System (HS): classification errors are recurrent and may result not only in incorrect taxation, but also in cargo retention by customs authorities and administrative penalties that compromise the exporter's reputation before customs authorities.

The Incoterms (International Commercial Terms), published and periodically revised by the International Chamber of Commerce (ICC), play a central role in managing logistics risks by precisely defining the point at which risk and responsibility transfer between seller and buyer in an international trade transaction. The current version, Incoterms 2020, establishes eleven rules covering different transportation modalities and different allocations of responsibility. Inadequate choice of the Incoterm—or, frequently, the absence of adequate knowledge regarding the precise meaning of the chosen Incoterm—is a recurrent source of commercial disputes and financial losses in export operations.

INTERNATIONAL CONTRACTS: ESSENTIAL ELEMENTS AND RECOMMENDED PRACTICES

The international contract for the sale of goods is the central legal instrument of foreign trade operations. At the international level, its drafting is guided by the United Nations Convention on Contracts for the International Sale of Goods (CISG, Vienna, 1980), to which Brazil became a signatory through Decree No. 8,327/2014. The CISG establishes a set of default rules governing aspects such as contract formation, the obligations of the seller and the buyer, and remedies for breach, applying automatically to transactions between parties from signatory countries, unless expressly excluded in the contract.

In addition to the applicable law, a well-structured international contract must address, at a minimum: (1) precise specification of the goods, including quality standards, quantities, and packaging; (2) payment terms, including the payment instrument (letter of credit, documentary collection, advance remittance), term, and currency of denomination; (3) applicable Incoterm and point of risk transfer; (4) documentary obligations of each party; (5) warranties and liability for defective products; (6) force majeure and hardship; and (7) the dispute resolution mechanism.

Experience in conducting contractual restructuring projects for companies in the technology and industrial sectors demonstrates that the standardization of contractual templates with compliance clauses relating to the LGPD (General Data Protection Law, Law No. 13,709/2018) and arbitration clauses reduced the volume of litigation by up to 70% in the portfolios of assisted clients, generating estimated savings of R\$ 10.5 million per year in litigation costs. This empirical evidence confirms what the theoretical literature has long maintained: the quality of contracts is a robust predictor of commercial performance in international operations.

INTERNATIONAL ARBITRATION: SYSTEM, ADVANTAGES, AND APPLICABILITY

International commercial arbitration constitutes the predominant mechanism for dispute resolution in high-value foreign trade operations. Its increasing adoption, estimated at more than 1,500 new international arbitral cases per year in the world's principal arbitration chambers alone (ICC, LCIA, SIAC), reflects the limitations of national judicial systems in dealing with complex cross-border disputes: procedural slowness, the cost of litigating in a foreign jurisdiction, the difficulty of enforcing court judgments in other countries, and the lack of technical specialization in the matters under dispute.

The 1958 New York Convention, which Brazil ratified through Decree No. 4,311/2002, by establishing the obligation of signatory states to recognize and enforce foreign arbitral awards, created the multilateral legal foundation that makes international arbitration the most effective dispute resolution mechanism for international contracts. An arbitral award rendered in New York, Paris, or Singapore may

be enforced in Brazil (and vice versa) without the need for a new examination of the merits, through a simplified recognition procedure before the Superior Court of Justice (STJ).

The arbitral experience accumulated within IMAT and CIMAT, as well as in more complex cases before national and international chambers, confirms the advantages identified in the literature: confidentiality of the proceedings (relevant for companies that need to protect trade secrets and strategic information), specialization of arbitrators (which may be defined by the parties), relative speed in comparison with state courts, and international enforceability of decisions. The case of strategic leadership in the negotiation of the largest agreement by economic value approved by the STJ in 2025 illustrates, on a factual level, arbitration's capacity to resolve highly complex and high-impact corporate disputes efficiently and discreetly.

THEORETICAL SYNTHESIS OF THE CHAPTER

The logistics, contractual, and arbitral dimensions of international operations are interdependent and form an integrated system of operational risk management. The quality of logistics is enabled by contracts that adequately allocate responsibilities and risks; the quality of contracts is protected by the availability of efficient dispute resolution mechanisms; and the efficiency of arbitral mechanisms depends on contracts that are sufficiently clear and complete to provide the arbitrator with a consistent interpretive framework. The fragmented treatment of these three dimensions, which still prevails in many Brazilian companies, is a direct source of inefficiency and operational vulnerability.

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CHAPTER 7

THE MITO METHODOLOGY®: INTEGRATED TRANSNATIONAL OPTIMIZATION MODEL

Abstract

This chapter presents the MITO Methodology® (Magário Integrated Transnational Optimization Model) as an original methodological contribution to the field of business internationalization. The methodology is described in its conceptual foundations, its four-stage structure (Diagnosis, Planning, Compliance, and Execution), and its central principle of organization by sequential "decision gates." The MITO's positioning in relation to established theoretical models in the literature, especially the Uppsala Model and Dunning's Eclectic Theory, and its specific contribution as an applied management framework for the internationalization process are discussed. The chapter also presents evidence of the methodology's application in real business contexts, discussing the results obtained and their implications for future research on integrated internationalization models.

Keywords: MITO Methodology, Internationalization model, Management framework, Transnational optimization, Decision gates.

FOUNDATIONS AND THEORETICAL POSITIONING OF THE MITO METHODOLOGY®

The MITO Methodology® (Magário Integrated Transnational Optimization Model) was developed over more than two decades of legal and consulting practice in business internationalization processes, with particular focus on the Brazil–United States axis. Its conception is based on a critical diagnosis repeatedly confirmed in practice: most internationalization initiatives fail not because of a lack of strategic ambition or competitive products, but because of process deficiencies—the absence of structured diagnosis, insufficient planning, compliance gaps, and execution failures that accumulate until the operation becomes unviable.

From a theoretical standpoint, MITO is positioned at the intersection of two traditions in the internationalization literature. From the process-based tradition, represented by the Uppsala Model

(JOHANSON; VAHLNE, 1977), the methodology incorporates the emphasis on knowledge as a determining factor in international progression and the logic of incremental commitment of resources as uncertainty is reduced. From the rational-analytical tradition, represented by Dunning's Eclectic Theory (1980) and the entry mode framework of Anderson and Gatignon (1986), the methodology incorporates the emphasis on systematic analysis of conditions (internal and external) as the basis for entry decisions.

MITO's original contribution lies precisely in the integration of these two traditions into an operational framework that combines sequential analysis of feasibility conditions ("decision gates") with continuous learning throughout the process (feedback loops that inform revisions to entry hypotheses). This integration responds to a consistent methodological criticism in the literature: theoretical models of internationalization often describe the process in a stylized and retrospective manner, without offering operational instruments for the prospective management of entry decisions.

THE STRUCTURE OF MITO: THE FOUR DECISION GATES

The MITO Methodology® organizes the internationalization process into four sequential stages, called "decision gates": Diagnosis, Planning, Compliance, and Execution. The central principle of the methodology, which distinguishes it from linear approaches to strategic planning, is that each decision gate functions as a feasibility filter: the company only advances to the next stage when the minimum feasibility conditions of the current stage have been secured. This principle substantially reduces the risk of premature commitment of resources in internationalization processes that do not yet have a solid basis for progress.

Gate 1: Diagnosis

The purpose of the Diagnosis stage is to answer the question: "Where to enter, and why?" It is operationalized through the simultaneous assessment of two dimensions, the firm's internal readiness and the attractiveness of the target market, whose constructs and indicators are discussed in depth in Chapter 2

of this work. The Diagnosis “gate” is considered crossed when the company has: a market hypothesis validated by primary and secondary data; an honest assessment of its export capabilities in at least six functional dimensions; and a preliminary mapping of the principal risks associated with the target market.

Gate 2: Planning

The Planning stage answers the question: “How to enter?” It comprises the definition of the entry mode, the legal and tax structure, the internationalization budget, the implementation schedule, and the evaluation metrics for the first operational cycle. The quality of planning is assessed according to criteria such as the realism of financial assumptions, the clarity of assigned responsibilities, and the presence of contingency plans for the principal risks identified in Gate 1.

The concept of the “one-page entry plan,” an operational tool proposed by MITO to synthesize the essential elements of planning in a format that is easy to communicate and revise, is based on the tradition of strategic management literature that values synthesis and communicability as factors of effective execution (MINTZBERG; QUINN, 1991). Lengthy and detailed plans rapidly lose managerial utility in environments of high uncertainty; concise plans focused on critical elements retain their relevance even when conditions change.

Gate 3: Compliance and Regulation

The Compliance stage answers the question: “How to operate without getting stuck?” It integrates the mapping and implementation of all regulatory, contractual, and governance requirements necessary for the operation to begin on a legally sustainable basis. It includes: registration in SISCOMEX and tax regularity; structuring of international contracts; obtaining licenses, certifications, and registrations required by the destination market; implementation of minimum internal compliance controls; and preparation of exchange-rate risk management policies.

The Compliance Gate is the one most frequently underestimated by companies eager to begin operations. The pressure for speed, often arising from business opportunities with narrow windows of time, leads managers to initiate operations without meeting minimum compliance requirements, thereby creating regulatory and operational exposures that may render continuity of the operation unfeasible. MITO establishes that crossing this gate is a non-negotiable condition for advancement to the Execution stage.

Gate 4: Execution, Control, and Scale

The Execution stage answers the question: “How to maintain predictability and scale?” It comprises the implementation of operations, continuous monitoring of key performance indicators (payment term, effective logistics cost, customs rejection rate, actual versus budgeted margin), and the implementation of regular cycles of review and adjustment. The feedback generated at this stage retroactively feeds the preceding stages, thereby characterizing the dynamic and iterative aspect of the methodology.

EMPIRICAL EVIDENCE OF APPLICATION

The application of the MITO Methodology® in real business contexts throughout the author’s consulting trajectory makes it possible to identify consistent patterns of impact on the results of international operations. In tax optimization projects for a portfolio of 50 companies with combined revenue exceeding R\$ 1.2 billion, the implementation of a structured framework aligned with the principles of Gate 3 (Compliance) resulted in an 18% reduction in the consolidated tax burden, equivalent to R\$ 65 million per year, and an increase in the success rate in tax litigation from 60% to 88%.

In contractual restructuring projects for 30 companies in the technology and industrial sectors, with annual contractual volume exceeding R\$ 800 million, the introduction of standardized templates with LGPD compliance clauses and arbitration clauses, corresponding to the guidelines of MITO Gate 3,

resulted in a 70% reduction in the volume of litigation and estimated annual savings of R\$ 10.5 million in litigation costs. These results, although generated in specific contexts and not directly generalizable, are consistent with the findings of the literature on the impact of contractual quality and compliance on business performance.

From the perspective of future academic research, the MITO Methodology® opens several investigative agendas: longitudinal case studies on its application in different sectors and company sizes; comparison with other internationalization management frameworks available in the literature; analysis of the differential impact of each decision gate on internationalization outcomes; and the development of validated measurement instruments for the central constructs of the methodology.

THEORETICAL SYNTHESIS OF THE CHAPTER

The MITO Methodology® represents an original contribution to the field of business internationalization by integrating, within a coherent operational framework, elements of the process-based tradition (Uppsala) and the rational-analytical tradition (Dunning, Anderson, and Gatignon) in the literature on internationalization. Its central principle, progression through sequential decision gates conditioned upon meeting minimum feasibility conditions, offers a methodologically grounded alternative to the empiricism that still characterizes much of the internationalization initiatives of medium-sized Brazilian companies.

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