

TELEFONICA BRASIL S.A.  
Form 6-K  
March 21, 2017

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the month of March, 2017**

**Commission File Number: 001-14475**

**TELEFÔNICA BRASIL S.A.**  
**(Exact name of registrant as specified in its charter)**

**TELEFONICA BRAZIL S.A.**  
**(Translation of registrant's name into English)**

**Av. Eng° Luís Carlos Berrini, 1376 - 28° andar**  
**São Paulo, S.P.**  
**Federative Republic of Brazil**  
**(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes

No

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes

No

X

TELEFÔNICA BRASIL S.A.

Publicly-held Company

CNPJ MF 02.558.157/0001-62 - NIRE 35.3.001.5881-4

**NOTICE TO SHAREHOLDERS**

**DELIBERATION OF INTEREST ON OWN CAPITAL**

Telefônica Brasil S.A. – (“Company”) announces to its shareholders that the Board of Directors, at its meeting held on March 20, 2017, deliberated, *ad referendum* of the General Shareholders’ Meeting, the credit of Interest on Own Capital (“IOC”), related to the fiscal year of 2016, in accordance with article 28 of the Company’s Bylaws, article 9 of the Law 9,249/95 and CVM’s Instruction No. 683/2012, in the gross amount of R\$350,000,000.00 (three hundred and fifty million reais), subject to withholding tax of 15%, resulting in a net amount of R\$297,500,000.00 (two hundred and ninety-seven million, five hundred thousand reais), based on the net profit shown in the balance sheet of February 28, 2017. The estimated value per share is described in the table below:

| Amount per share (R\$) | Immune or Exempt Legal Entities (gross value) | Withholding tax (15%) | Taxed Legal Entities and Individuals (Net value) |
|------------------------|---|-----------------------|--|
| Common shares          | 0.19437657929                                 | 0.02915648689         | 0.16522009240                                    |
| Preferred shares (*)   | 0.21381423722                                 | 0.03207213558         | 0.18174210164                                    |

(\*) 10% higher than the amount granted to each common share, in accordance with article 7 of the Company’s Bylaws.

In accordance to the article 28 of the Company’s Bylaws, such Interest on Own Capital will be charged to the mandatory minimum dividend for the fiscal year of 2017, *ad referendum* of the General Shareholders’ Meeting to be held in 2018.

The credit of Interest on Own Capital will be made on individual basis for each shareholder, in accordance to the shareholder registry book position by the end of March 31, 2017. After this date, the shares will be considered as “ex-Interest on Own Capital”. The payment of these proceeds will be carried out before the end of the fiscal year of 2018, in a date to be defined by the Company’s Board.

The Immune or Exempt Legal Entities, according to the current legislation, must provide proof of such condition until April 5, 2017 to the “Departamento de Ações e Custódia” of Banco Bradesco S.A., the depositary bank, located at Cidade de Deus, s/n, Amarelo Velho Building, sub-solo – Vila Yara – Zip Code: 06029-900 – Osasco – SP.

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Note: Values of Interest on Capital per common and preferred share may suffer future adjustments until March 31, 2017, due to possible acquisitions of shares within the Program for the Buyback of Shares to be held in treasury for subsequent sale and/or cancellation, according to Material Fact of December 09, 2015.

São Paulo, March 20, 2017.

**David Melcon Sanchez-Friera**

CFO and Investor Relations Officer

Telefônica Brasil – Investor Relations

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Information available at: [www.telefonica.com.br/ir](http://www.telefonica.com.br/ir)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 20, 2017

**TELEFÔNICA BRASIL S.A.**  
By: /s/ Luis Carlos da Costa Plaster  
Name: Luis Carlos da Costa Plaster  
Title: Investor Relations Director

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