

INTERNATIONAL CAPITAL AND FOREIGN EXCHANGE MARKET REGULATION

TITLE : 2 - Brazilian Capital Abroad

CHAPTER : 1 - General Provisions

1. The financial institutions and other institutions authorized to operate in the country by the Central Bank of Brazil, authorized to operate in the foreign exchange market, may conduct by the use of banks authorized to operate in the foreign exchange market, transfers abroad in national currency or foreign currency of interest to individuals or corporate entities resident, domiciled or headquartered in Brazil, obeying the specific dispositions of each chapter for purposes of investment in the modalities dealt with in this title.
2. The following provisions also apply to the transfers mentioned on the previous paragraph:
 - a) the transfers of funds for investments abroad by financial institutions and other institutions authorized to operate by the Central Bank of Brazil must observe specific regulation;
 - b) investment funds may perform transfers related to its investments abroad, to and from other countries, observed the regulations issued by Brazilian Securities and Exchange Commission and the foreign exchange rules issued by the Central Bank of Brazil;
 - c) the transfers of funds for investments abroad by supplementary welfare entities must observe specific regulation.
3. Payments and receptions in national currency referring to operations dealt with in this title must be made through current account operations in the country in the name of individuals or corporate entities resident, domiciled or headquartered abroad, when such accounts are maintained and operated under the terms of the legislation and regulations currently in effect.
4. Individuals and legal entities resident, domiciled or headquartered in Brazil that have assets of any nature, currency assets, goods and rights outside the national territory must declare such to the Central Bank of Brazil in the manner, at intervals and under conditions to be determined by that institution.
5. Resources transferred abroad as investments, as well as the earnings on such investments generated abroad, may be reinvested, including other assets, provided that the finalities permitted in the pertinent regulations be observed.
6. Without detriment to the regulations in effect on this question, investors resident, domiciled or headquartered in the country must maintain the documents supporting remittances made at the disposal of the Central Bank of Brazil for a period of 5 (five) years, observing all due legal formalities and perfect identification of all signatories.
7. The operations dealt with under this title must be carried out on the basis of documents that demonstrate the legality and economic foundations of the operation, while observing all applicable tax-related aspects, in which case the intervening institution will be responsible for verifying full compliance with these conditions, maintaining the respective documentation on file in the dossier of the operation as determined in current regulations.