

INTERNATIONAL CAPITAL AND FOREIGN EXCHANGE MARKET REGULATION

TITLE : 2 - Brazilian Capital Abroad
CHAPTER : 3 - Brazilian Investments Abroad
SECTION : 1 - Direct Investment

1. For purposes of the provision in this section, Brazilian direct investments abroad are understood as direct or indirect participation of individuals or corporate entities resident, domiciled or headquartered in the country, in companies constituted outside Brazil.
2. 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 of resources for purposes of installation of offices outside the country and direct or indirect stock participation abroad of interest to institutions authorized to operate by the Central Bank of Brazil, under the following conditions:
 - a) through authorization of the Department of Financial System Organization (Deorf), in the case of offices outside the country or direct or indirect stock participation in financial institutions or similar institutions abroad;
 - b) through presentation of the respective documentation, in cases involving stock participation in companies abroad not cited under line "a" of this paragraph.
3. (Revoked) Circular no. 3525/2011
4. When investments are made through international conferences of stocks or other assets, simultaneous exchange operations involving the inflow of external investments to the country and outflow of Brazilian investments abroad will be required without issue of payment orders with immediate and simultaneous settlement in a single bank.
5. International conferences of stocks or other assets are understood as payment-in-full of the capital of a Brazilian company effected by individuals or corporate entities resident, domiciled or headquartered abroad, through payment-in-kind or exchanges of stock participation held in a foreign company headquartered abroad, or payment-in-full of the capital of a foreign company headquartered abroad, effected through payment-in-kind or exchanges of stock participation in a Brazilian company by individuals or corporate entities resident, domiciled or headquartered in the country.
6. In the case foreseen in paragraph 5 of this section, operations that may be characterized as reciprocal stock holdings between national and foreign companies are not permitted.
7. The value of the simultaneous exchange operations related to international conferences of stocks or other assets are limited to the value of the asset assessment report elaborated by a company recognized by the Securities and Exchange Commission - CVM, calculated reciprocally through utilization of the same method.
8. Aside from the documentation that corroborates the legality and economic fundamentals of the operation, corporate entities that effect remittances with the objective of constituting direct investments abroad in financial institutions must present a declaration to the intervening institution that they do not perform financial activities in the country, are not controlled by an institution authorized to operate by the Central Bank of Brazil and that they do not have direct or indirect control of a National Financial System member institution, which has investments abroad that must comply with the criteria foreseen in specific regulations.

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TITLE : 2 - Brazilian Capital Abroad
CHAPTER : 3 - Brazilian Investments Abroad
SECTION : 2 - Portfolio Investment (NR)

1. Transfers in national or foreign currency to and from abroad related to investments abroad by investment funds must comply with the limits and other regulations issued by the Securities and Exchange Commission according to its prerogatives.