

INTERNATIONAL CAPITAL AND FOREIGN EXCHANGE MARKET REGULATION

TITLE : 3 - Foreign Capital in Brazil

CHAPTER : 1 - General Provisions

1. This title deals with the rules and procedures relating to the registration of foreign capital in Brazil, according to Resolution no. 3844, of March 23, 2010.
2. The provisions in this title apply to foreign capital entered or existing in Brazil, in cash or in goods, and to the financial transactions with abroad resulting there from, relating to the following operations:
 - a) foreign direct investment;
 - b) foreign credit, including foreign financial leasing, foreign loans gathered directly or through placement of bonds, early reception of export proceeds and foreign financing;
 - c) royalties, technical services and similar, foreign operating leasing, renting and freightage;
 - d) guarantees provided by international organizations in internal credit operations;
 - e) capital in domestic currency, in accordance with Law no. 11371, of November 28, 2006.
3. Subject to compliance with the standards contained in title 1 of this Regulation and specific legislation, financial transfers to and from abroad, in national currency or in foreign currency on the foreign capital in Brazil should follow the form and conditions set forth in this title.
4. The financial transfers abroad may be made in any currency, regardless of the currency in which the record is held at the Central Bank of Brazil.
5. The registration dealt with in this title is made in a declaratory and electronically form in the corresponding modules of the Electronic Statement Registration- RDE, with the Central Bank Information System - Sisbacen in the foreign currency in which the funds actually entered into Brazil or, in situations under the laws in force, in domestic currency.
6. For purposes of this title, registration means the entry of information necessary to the identification of the parties and the individual characterization of the transactions relating to foreign capital invested in Brazil.
7. The registration shall be made within thirty (30) days from the date of the event which originated it, in compliance with the rules in this title.
8. Those responsible for the registration, defined in the respective chapters of this title, shall make available to Central Bank of Brazil, updated and in order, the supporting documentation of all information reported in the RDE, with the perfect identification of their signatories, until the expiry of the term of five (5) years, counted from the end of the participation in the share capital of the receiving legal entity, in the case of foreign direct investment, or the completion of the operation, in other cases.
9. The RDE number and the updating of the information contained in the registration are requirements for any fund transactions with abroad.
10. The conditions previous to the registration with the RDE modules are the following:
 - a) the accreditation with Sisbacen according to the instructions on the page of the Central Bank of Brazil on the Internet (www.bcb.gov.br); and

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- b) the provision of information of the parties, residents and non residents involved in the operation and their representatives in the Registry of Physical Persons and Legal Entities - International Capital (Cademp) through the use of PEMP500 and PEMP600 transactions of Sisbacen, as per instructions contained in "Cademp – Manual do Declarante", available at www.bcb.gov.br >> Câmbio e Capitais Estrangeiros >> Manuais
11. The registration information of the holders of registrations and their representatives must be kept updated in the Cademp system, directly by the user or through a request to the Department of Financial System Surveillance and Information Management - Desig.
12. For purposes of the registration referred to in this title, the following shall be subject to simultaneous operations of exchange or international transfers in reals, without actual delivery of resources and regardless of prior authorization of Central Bank of Brazil:
- a) conversion of assets of non-residents in Brazil in the form of foreign capital registrable in Central Bank of Brazil;
- b) transfers between modalities of foreign capital registered with Central Bank of Brazil; and
- c) renewal / renegotiation and assumption of obligations of operating a foreign loan, subject to registration with the Central Bank of Brazil, contracted directly or through issuing bonds in international markets. (NR)
13. The completion of the registration referred to in this title does not exempt those responsible from complying with the laws and regulations applicable to the transactions registered, including those derived from taxation.
14. Those responsible for the registration shall inform to Central Bank of Brazil, directly in the RDE system, the settlement of payments, directly abroad, of a foreign obligation relating to any transaction registered under this title.
15. Failure to comply with this title implies the prohibition of financial transfers supported by the registration, while the irregularities are not remedied, without prejudice to the imposition of penalties under the law or regulations.