



BANCO CENTRAL DO BRASIL

CIRCULAR 3,769, OF OCTOBER 29, 2015

Sets the procedures for calculating the Countercyclical Additional Principal Capital ($ACP_{\text{Contracíclico}}$), subject of Resolution 4,193, of March 1, 2013.

The Board of Directors of the Central Bank of Brazil, in a session held on October 29, 2015, based on the provisions of articles 9, 10, item IX, article 11, item VII, and article 37 of Law 4,595 of December 31, 1964, and article 8, paragraph 5, of Resolution 4,193, of March 1, 2013,

RESOLVES:

Art. 1. This Circular sets the methodology for calculating the Countercyclical Additional Principal Capital ($ACP_{\text{Contracíclico}}$), subject of article 8, item II, of Resolution 4,193, of March 1, 2013.

Art. 2. The value of the $ACP_{\text{Contracíclico}}$ shall be calculated according to the following formula:

$$ACP_{\text{Contracíclico}} = RWA \times \sum_{i=1}^N \left(\frac{RWA_{CP\text{r}NB_i}}{RWA_{CP\text{r}NB}} \times ACCP_i \right), \text{ in which:}$$

I – RWA = risk-weighted assets, as defined in article 3 of Resolution 4,193, of 2013;

II – $RWA_{CP\text{r}NB_i}$ = risk-weighted assets related to exposures to the private non-banking sector of each jurisdiction “i”, calculated according to the provisions of paragraphs 1, 2, 3, 4 and 9 of this article;

III – $RWA_{CP\text{r}NB}$ = sum of $RWA_{CP\text{r}NB_i}$ mentioned in item II;

IV – $ACCP_i$ = the countercyclical capital buffer set in jurisdiction “i”; and

V – N = number of jurisdictions considered in the calculation of $ACP_{\text{Contracíclico}}$, subject to the provision of paragraph 9 of this article.

Paragraph 1. The value of each $RWA_{CP\text{r}NB_i}$ is the sum of RWA_{ACPAD} and RWA_{CIRB} , calculated, respectively, according to Circulars 3,644 and 3,648, both of March 4, 2013, referring to exposures incurred in each jurisdiction “i”, net of exposures to the government and to the banking sector.

Paragraph 2. For the provisions of this Circular, shall be considered:

I – government sector:



BANCO CENTRAL DO BRASIL

a) central governments, including the Brazilian one, and their central banks, along with entities under their direct control or economically dependent on them;

b) governments of administrative divisions, including those of Brazil, along with entities under their direct control or economically dependent on them; and

c) entities listed in item V of article 19 of Circular 3,644, of 2013, with the exception of the National Economic and Social Development Bank (BNDES); and

II – banking sector:

a) universal banks, commercial banks, investment bank, currency exchange banks, savings banks, development banks and the BNDES, for institutions under Brazilian jurisdiction; and

b) banking institutions, for the remaining jurisdictions.

Paragraph 3. Exposures should be assigned to a sector and to a jurisdiction based on its final risk at the date of the calculation, even in the presence of a credit risk mitigant.

Paragraph 4. The values of each $RWA_{CP_rNB_i}$ and their sum RWA_{CP_rNB} shall refer to the last day of each month.

Paragraph 5. Each $ACCP_i$ is limited by the upper bounds defined in paragraph 6 of article 8 of Resolution 4,193, of 2013.

Paragraph 6. The increase in the value of an $ACCP_i$ will enter into force 12 (twelve) months after its announcement, including the ones prior to issuance of this Circular.

Paragraph 7. The decrease in the value of an $ACCP_i$ will enter into force immediately.

Paragraph 8. In case of absence of announcement of an $ACCP_i$, the Central Bank of Brazil has the discretion to set its value. If the Central Bank of Brazil does not set a value for an absent $ACCP_i$, its value shall be the same of the one related to the exposures to the private non-banking sector of the Brazilian jurisdiction ($ACCP_{Brasil}$).

Paragraph 9. In case the ratio between a given $RWA_{CP_rNB_i}$, with the exception of that referring to Brazil, and the sum of RWA_{CPAD} and RWA_{CIRB} is less than 5% (five percent), this jurisdiction may be excluded from the calculation of the $ACP_{Contracíclico}$.

Paragraph 10. Alternatively, the $ACP_{Contracíclico}$ may be calculated by multiplying the RWA by the upper bounds set forth in article 8, paragraph 6, of Resolution 4,193, of 2013.

Art. 3. The value of $ACCP_{Brasil}$ is 0% (zero percent).



BANCO CENTRAL DO BRASIL

Art. 4. A report detailing the calculation of the $ACP_{\text{Contracíclico}}$ shall be sent to the Department of Financial System Monitoring (Desig) of the Central Bank of Brazil, in the terms established by the latter.

Art. 5. The values of the ACP, of the $ACP_{\text{Contracíclico}}$, of the RWA , of each $RWA_{CP\text{r}NB_i}$, noting the provision of paragraph 9 of article 2, the values of each $ACCP_i$ as well as the date of their announcement and the date in which they become effective, referring to March, 31, June, 30, September, 30, and December, 31, shall be available in a single place of easy access in the public webpage of the institution.

Paragraph 1. The data subject of the heading shall be available along with the data relative to risk management, to the risk-weighted assets (RWA) and to the Regulatory Capital (PR), according to the provision of article 18 of Circular 3,678 of October 31, 2013.

Paragraph 2. The institution shall publish the location of the data mentioned in the heading along with its financial reports.

Paragraph 3. The deadline for the disclosure of the data, subject of the heading, is sixty days, except for December 31, for which the deadline is ninety days.

Article 6. Records of the data used in the calculation of the $ACP_{\text{Contracíclico}}$ shall be made available to the Central Bank of Brazil for at least five years, including data referring to cases under the provision of paragraph 9 of article 2.

Article 7. This Circular enters into force on date of its issuance.

Article 8. Circular 3,741, of December 29, 2014, is revoked.

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