

## INTERNATIONAL CAPITAL AND FOREIGN EXCHANGE MARKET REGULATION

TITLE : 1 - Foreign Exchange Market

CHAPTER : 13 - Accounts of Individuals Domiciled Abroad in Domestic Currency and International Transfers in Reals

SECTION : 1 - General Provisions

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1. Individual persons or corporate entities, resident, domiciled or headquartered abroad may be the holders of deposit accounts in national currency in the country, exclusively in bank branches that operate in foreign exchange belonging to banking institutions authorized to operate on the exchange market, duly complying with the provisions set down in this chapter.
2. The accounts of those resident, domiciled or headquartered abroad must contain characteristics that differentiate them from other deposit accounts, in such a way as to make it possible to identify them immediately.
3. Registration of deposit accounts in national currency in the country in the Central Bank Information System (Sisbacen) in the name of individual persons or corporate entities resident, domiciled or headquartered abroad is obligatory, through transaction PCAM260, option 1, and such registration should be effected by the depositary bank.
4. The registration referred to in the previous paragraph must be effected simultaneously with opening of the account.
5. For purposes of the registration of the deposits dealt with in this chapter, title "4.1.1.60.00-2 - DEPOSITS OF THOSE DOMICILED ABROAD" is maintained in the Accounting Plan of National Financial System Institutions (COSIF), together with its subtitles and the following nomenclature:
  - (a) 4.1.1.60.10-5 - "Originating in Exchange Sales";
  - (b) 4.1.1.60.20-8 - "Other Origins"; and
  - (c) 4.1.1.60.30-1 - "Financial Institutions".
6. Under the subtitle "Originating in Exchange Sales", operations involving credits may result exclusively from the effective inflow of foreign currency to the country through settlement of exchange operations with the depositary bank of the account, in which case the number of the corresponding exchange operation must be stated in the information regarding the accounting operation.
7. Possible new deposits of resources in Brazilian real originally generated by withdrawals or transfers effected as debits to the cited subtitle must be recorded as credits under the subtitle "Other Origins".
8. The subtitle "Financial Institutions" is restricted to the accounting records of accounts in the name of banks abroad that maintain correspondent relations with the Brazilian depositary bank of the resources, when this relationship is exercised habitually, significantly and reciprocally or when the institutions have an unmistakable relationship between them as a consequence of capital control covering the controlled and controlling institutions, as well as those under common and directly exercised control.
9. The provisions of the previous paragraph also encompass Brazilian bank branches located abroad and the branches of foreign banks authorized to operate in the country.
- 9-A The financial institutions, with reference to the transborder relations among correspondent banks and the other similar relations, must:
  - (a) obtain sufficient information about the correspondent institution in a way as to fully understand the nature of its activity and to know, based on publicly available information, the reputation of the institution and the quality of its supervision, including whether the

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- institution has been the target of investigation or of any action of a supervisory authority, related to money laundering or with terrorism financing;
- (b) assess controls adopted by the correspondent institution targeting money laundering combat and terrorism financing;
  - (c) obtain approval from the director responsible for the operations related to the foreign exchange market before establishing new correspondence relations;
  - (d) document the respective responsibilities of each institution in respect to money laundering combat and terrorism financing. (NR)
10. Financial institutions not classified within the provisions in paragraphs 8 and 9 may only be holders of accounts with the subtitles "Originating in Exchange Sales" or "Other Origins".
  11. The same criteria, provisions and requirements established for exchange operations in general and the guidelines specifically set out in this chapter must be observed in international transfers in Brazilian reals, insofar as such are applicable.
  12. International transfers in national currency from and to abroad in amounts equal to or greater than R\$ 10.000,00 (ten thousand Brazilian reals) are subject to documentary corroboration to be provided to the bank in which the account of the person domiciled abroad is located.
  13. With regard to the documents used in support of international transfers in Brazilian reals, depositary banks must adopt all of the necessary prudential procedures required to avoid their reutilization and consequent duplicity of effects, both for new transfers in national currency as well as for access to the exchange market, and must require presentation of evidence of payment-in-full of the taxes levied on the operation.
  14. The balances of the capital resources existent in the accounts of individual persons or corporate entities resident, domiciled or headquartered abroad may be freely converted into foreign currency for purposes of remittance abroad, independently of the subtitle, while utilization of such for purposes of conversion of third-party resources into foreign currency is prohibited.
  15. Exchange operations related to inflows and return abroad of resources recorded at the accounts dealt with in this chapter are reserved to the depositary banking institution authorized to operate on the exchange market, and must be classified as follows:
    - (a) should the remitting party or the beneficiary abroad not be the holder of the account: under the specific nature code corresponding to the type of operation negotiated;
    - (b) should the remitting party or the beneficiary abroad be the holder of the account: under nature code "63009 - Short-Term Foreign Capital - Availability in the Country".
  16. Utilization of the accounts of parties resident, domiciled or headquartered abroad held by financial institutions abroad as dealt with in paragraphs 8 and 9 for purposes of international transfers in Brazilian reals in the interest of third parties is forbidden.
  17. Utilization of the accounts of individual persons or corporate entities resident, domiciled or headquartered abroad for purposes of international transfers in the interest of third parties is forbidden.
  18. In transfers supported by registrations, authorizations or certificates issued by the Central Bank of Brazil, the number of the respective document or registry must be entered in the space "Other"
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Specifications" on the Sisbacen record screen.

19. The prohibition mentioned in paragraph 16 does not apply to debts in foreign bank accounts dealt with in paragraphs 8 and 9, when destined to fulfill payment orders in Brazilian reals from abroad by institution authorized to operate in the foreign exchange market.
20. The fulfillment of payment orders in the interest of third parties by means of international transfer in Brazilian reals, in amounts of less than R\$ 10.000,00 (ten thousand Brazilian reals), with debit against foreign bank accounts, obliges the bank depository of the debited account to transmit file to Central Bank of Brazil, by the 10<sup>th</sup> day of each month, with the following data regarding the transfers effected in the previous month:
  - (a) name and CNPJ of the foreign bank holding the account;
  - (b) identification of the beneficiary in Brazil (name and CNPJ/CPF number, or, in case of foreigners, name and passport number or any other document foreseen in the regulation which supported his entry in Brazil);
  - (c) the value transferred;
  - (d) the country and the sender abroad;
  - (e) indication whether the debt refers to a current transfer, a service or other transfers.
21. Regarding the file mentioned in paragraph 20, it must be observed that:
  - (a) file transmission is effected through application PSTAW10, following the instructions contained on the site [www.bcb.gov.br/](http://www.bcb.gov.br/), / menu Sisbacen / Transferência de arquivos.;
  - (b) instructions on how to prepare the file for transmission to the Central Bank will be available at Central Bank site "[www.bcb.gov.br/menu câmbio e capitais estrangeiros/Sistemas/Transferências de arquivos](http://www.bcb.gov.br/menu_cambio_e_capitais_estrangerios/Sistemas/Transferencias_de_arquivos);
  - (c) the monthly file transmission, by the 10th day of each month, by banks depositories of accounts held by foreign banks, dealt with in paragraph 8 and 9, is mandatory, even when no occurrences has taken place in the previous month.
22. The procedures in force on operation of the accounts dealt with in this chapter must be observed for the fulfillment of payment orders in the interest of third parties by means of international transfer in Brazilian reals, in amounts equal or greater than R\$ 10.000,00 (ten thousand Brazilian reals), with debit against foreign bank accounts,

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1. For the purposes and effects of this chapter:
  - (a) debits effected by the depositary bank in accounts in the name of individual persons or corporate entities resident, domiciled or headquartered abroad, are characterized as inflows of resources to the country, except in cases involving direct operations between two accounts of this nature code;
  - (b) credits effected by the depositary bank in accounts in the name of individual persons or corporate entities resident, domiciled or headquartered abroad are characterized as outflows of resources from the country, except when the resources originate in sales of foreign currency or directly from another account of this type.
2. The depositary bank of the resources must record in Sisbacen the data related to all international transfers in Brazilian reals in amounts equal to or greater than R\$ 10.000,00 (ten thousand Brazilian reals), transaction PCAM260, option 2, on the same day on which the transfers are made.
3. The recordings dealt with in the previous paragraph also encompass:
  - (a) debits and credits made as counterparts to the settlement of exchange operations in amounts equal to or greater than R\$ 10.000,00 (ten thousand Brazilian reals), classified under nature code "63009";
  - (b) direct movements of resources between the accounts of parties resident, domiciled or headquartered abroad (nature code 63102) in amounts equal to or greater than R\$ 10.000,00 (ten thousand Brazilian reals), even though these are not characterized as international transfers in national currency;
  - (c) movements carried out as counterparts to exchange operations not classified as funding available in the country.
4. Operations for purposes of credit to the accounts treated of in this chapter must be effected through:
  - (a) debit against the account maintained by the payee in the depositary bank itself;
  - (b) reception of a nominal check issued by the payee, crossed, to the depositary bank or to the account holder, with the destination of the resources and nature code of the transferor being specified on the back of that instrument; or
  - (c) Transferência Eletrônica Disponível (Available Electronic Transfer) - TED, issued by another financial institution in its own name in the case of its own interest operation or in the name of the payee, regarding that, in any case, the transfer nature code must be informed in the box *histórico* (background).
5. Debits to the accounts dealt with in this chapter must be made exclusively for purposes of credit to the account held by the beneficiary in the country, through:
  - (a) TED, credit document (DOC) or any fund transfer order issued by the depositary bank in the name of the holder of the account, with the nature code of the transfer being stated in the space *histórico* in the case of the TED; or
  - (b) cashiers check or a nominal, crossed check issued by the holder of the account, in the case of demand deposits, on which the destination of the resources and the nature code

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of the transfer are specified on the back of the instrument.

6. Movement of amounts of less than R\$ 10.000,00 (ten thousand Brazilian reals) may be made through utilization of any payment instrument utilized on financial markets, including cash.
7. In accounts in the names of embassies, consular offices or representative offices of international organizations accredited by the Brazilian government, operations of any amount may be carried out in cash or through utilization of any payment instrument utilized on the financial market.
8. Debits and credits against accounts in the names of embassies, consular offices or representative offices of international organizations accredited by the Brazilian government are dispensed from documentary corroboration and declarations of the reasons for the transfer, these operations being classified as "Foreign government income and expenses" or "Income and spending of international entities", according to the case in question.
9. The provision in paragraphs 7 and 8 above do not apply to movement of resources in the private accounts of employees of those entities.
10. In operations in amounts equal to or greater than R\$ 10.000,00 (ten thousand Brazilian reals), identification of the origin and destination of the resources, the nature code of the payments and the identity of the depositors of the amounts in these accounts, as well as the beneficiaries of the transfers effected is obligatory, with such information being stated in the dossier of the operation.
11. The checks utilized to operate the accounts dealt with in this chapter must contain information that makes it possible to specify the identification stipulated in the previous paragraph on the back of such instruments.
12. Having received instructions to operate an account of an individual or corporate entity resident, domiciled or headquartered abroad without meeting the requirements contained in this chapter, the bank will not perform the operation, and is obligated to adopt the regulatory procedures aimed at rejecting or returning the payment instrument, characterizing such as an international transfer in Brazilian reals.
13. In cases of operations in accounts dealt with in this chapter involving investments and redemptions on financial markets by the holder of the account, for which there does not exist a specific nature code, the operation must be classified under nature code 63102, noting that, in any case, the destination or origin of the resources must be declared in the space "Other Specifications" of the Sisbacen record screen.