

Presidency of the Republic

Chief of Staff Special Secretariat for Legal Affairs

DECREE 12,079 of June 26, 2024

Establishes the new inflation-targeting system as the guideline for the monetary policy regime.

The PRESIDENT OF THE REPUBLIC, using the powers conferred by Article 84, *caput*, item IV, of the Constitution, and in view of the provisions set forth in Article 4 of Law 4,595 of December 31, 1964, and Article 29, *caput*, item I of Law 14,600 of June 19, 2023,

DECREES:

Article 1. As of January 1, 2025, a new inflation-targeting system is established as the guideline for the monetary policy regime.

Sole paragraph. The target shall be defined as the twelve-month change of a widely publicized price index, calculated monthly.

Article 2. As of January 1, 2025, the target will be considered to have not been met when inflation, measured by the twelve-month change of the price index referred to in article 4, deviates from its respective tolerance interval for six consecutive months.

Paragraph 1. The target and its respective tolerance interval shall be set by the National Monetary Council, upon proposal from the Minister of Finance, in accordance with the new inflation-targeting system established by this Decree.

Paragraph 2. The target and its tolerance interval may be altered by the National Monetary Council, upon proposal of the Minister of Finance, with at least thirty-six months' notice of their application.

Article 3. The Banco Central do Brasil is responsible for implementing the policies required to meet the established target.

Article 4. The price index to be adopted for the purposes of this Decree shall be chosen by the National Monetary Council, upon proposal from the Minister of Finance.

Article 5. As of January 1, 2025, the Banco Central do Brasil will publish the Monetary Policy Report by the last day of each calendar quarter, which shall address the performance of the new inflation-targeting system, the results of past monetary policy decisions, and the prospective assessment of inflation.

Article 6. Whenever the target is not met, under the terms of article 2, the Banco Central do Brasil shall disclose the reasons for the breach by means of a note in the Monetary Policy Report and an open letter addressed to the Minister of Finance, which shall contain:

I – a detailed description of the causes of the target breach;

II – the measures needed to ensure that inflation returns to the established limits; and

III – the expected time span for the measures to take effect.

Paragraph 1. The Banco Central do Brasil shall issue a new note and letter, under the terms of the *caput*, if:

I – inflation does not return to the tolerance interval within the period stipulated in the note and letter; or

II – the Banco Central do Brasil deems it necessary to update the measures or the expected time span for inflation to return to the tolerance interval.

Paragraph 2. The National Monetary Council may establish additional accountability mechanisms for the Banco Central do Brasil regarding the conduct of monetary policy under the new inflation-targeting system.

Art. 7º For the purposes of the target and tolerance interval set by the National Monetary Council for 2024 and for the assessment of its compliance and the measures to be adopted in the event of target breach, the provisions of Decree 3,088 of June 21, 1999 shall be observed.

Article 8. The following are hereby revoked:

I – on the publication date of this Decree:

a) Paragraph 2 of Article 1 of Decree 3,088 of June 21, 1999; and

b) [Decree 9,083 of June 28, 2017](#) (Portuguese only); and

II – on January 1, 2025, Decree 3,088 of June 21, 1999.

Article 9. This Decree comes into force on the date of its publication.

Brasília, June 26, 2024; 203rd of Independence and 136th of the Republic.

LUIZ INÁCIO LULA DA SILVA
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This text does not replace the one published in the Brazilian Official Journal (DOU) on June 26, 2024 – Special edition.

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