



BANCO CENTRAL DO BRASIL

COMPLEMENTARY LAW No. 179 OF 24 FEBRUARY 2021

On the definition of the objectives of the Central Bank of Brazil, the establishment of its autonomy and appointment and dismissal rules for its President and Directors, and the amendment of an article of Law No. 4595 of 31 December 1964.

I, THE PRESIDENT OF THE REPUBLIC, hereby announce that the National Congress has decreed, and I have signed the following Complementary Law:

Article 1. The fundamental objective of the Central Bank of Brazil is to ensure price stability.

Single paragraph. Without prejudice to its fundamental objective, the Central Bank of Brazil also has the objectives of fostering the stability and efficiency of the financial system, smoothing fluctuations in the level of economic activity, and promoting full employment.

Article 2. The targets for monetary policy shall be set by the National Monetary Council, and the Central Bank of Brazil shall be solely responsible for conducting monetary policy as necessary to achieve those targets.

Article 3. The Board of Directors of the Central Bank of Brazil shall be composed of nine (9) members, one of whom shall be its President, all appointed by the President of the Republic among suitable Brazilians with untarnished reputation and notorious knowledge of economic and financial matters or proven knowledge of other matters that qualify them for the office.

Article 4. The President and the Directors of the Central Bank of Brazil shall be nominated by the President of the Republic and appointed by him upon confirmation of their nominations by the Federal Senate.

Paragraph 1. The term of office of the President of the Central Bank of Brazil shall be four (4) years, beginning on January 1st of the third year of the term of office of the President of the Republic.

Paragraph 2. The terms of office of the Directors of the Central Bank of Brazil shall be four (4) years, staggered in the following manner:

I – The terms of office of two (2) Directors shall begin on March 1st of the first year of the term of office of the President of the Republic;

II – The terms of office of two (2) Directors shall begin on January 1st of the second year of the term of office of the President of the Republic;

III – The terms office of two (2) Directors shall begin on January 1st of the third year of the term of office of the President of the Republic; and

IV – The terms of office of two (2) Directors shall begin on January 1st of the fourth year of the term of office of the President of the Republic;

Paragraph 3. The President and the Directors of the Central Bank of Brazil may be reappointed once by a decision of the President of the Republic, subject to the provision of the head of this article in the event of a new appointment to a non-consecutive term.

Paragraph 4. The term of office of the President and that of each of the Directors



BANCO CENTRAL DO BRASIL

of the Central Bank of Brazil shall be extended until their successor takes office.

Article 5. The President and the Directors of the Central Bank of Brazil shall be dismissed by the President of the Republic:

I - upon resignation;

II - in the event of incapacitating illness that renders the officeholder unable to serve in office;

III - in case of a conviction that is final or that has been issued by a judicial panel due to administrative improbity or a crime punishable with a prohibition from holding public office, even temporarily;

IV - in case of proven and recurring failure to perform as necessary to achieve the objectives of the Central Bank of Brazil.

Paragraph 1. In the situation referred to in item IV of the head of this article, the National Monetary Council shall submit to the President of the Republic a proposal for dismissal, subject to the prior approval of the Federal Senate by an absolute majority.

Paragraph 2. In case of vacancy in the offices of President or Director of the Central Bank of Brazil, a substitute shall be nominated and appointed to serve the remainder of the term, subject to the procedures set forth in article 3 and in the head of article 4 of this Complementary Law, and shall take office within fifteen (15) days of confirmation of the nomination by the Federal Senate.

Paragraph 3. In the situation referred to in Paragraph 2 of this article, the office of President of the Central Bank of Brazil shall be temporarily held by the longest-serving Director or by the oldest in the case of Directors who have served for the same time, until the appointment of a new President.

Article 6. The Central Bank of Brazil is a special nature agency characterised by the absence of ties or hierarchical subordination to any Ministry, by its technical, operational, administrative, and financial autonomy, by the term appointment of the members of its governing body and security from dismissal during their terms of office, and by any other provisions of this Complementary Law or its implementing special legislation.

Paragraph 1. The Central Bank of Brazil shall be deemed a sectoral entity for the purpose of the systems of the Federal Public Administration, including the systems for Federal Planning and Budgeting, Federal Financial Management, Federal Accounting, the Civil Service Personnel of the Federal Public Administration, Internal Control of the Federal Executive Branch, Organization and Institutional Innovation of the Federal Government, Management of Information Technology Resources, Document and Archive Management, and General Services.

Paragraph 2. Whenever necessary for record-keeping, monitoring, and control of the facts related to its management, or for formalization, execution, and record-keeping of its acts and contracts of any kind, the Central Bank of Brazil may opt to use its own computerised systems, as appropriate to its special nature, without prejudice to the integration with the structural systems of the Federal Public Administration.

Paragraph 3. The balance sheets of the Central Bank of Brazil shall be prepared annually and shall cover the period from 1 January to 31 December, including for the purposes of profit distribution, loss coverage, and allocation of profits to reserves.

Paragraph 4. The profits and losses of the Central Bank of Brazil, considering all its incomes and expenses of any nature, shall be determined on an accrual basis, and their allocation or coverage shall comply with the provisions of Law No. 13820 of 2 May 2019.



BANCO CENTRAL DO BRASIL

Paragraph 5. The Central Bank of Brazil shall prepare its financial statements in accordance with the accounting standard issued under item XXVII of the head of article 4 of Law No. 4595 of 31 December 1964, and the provisions of Law No. 4320 of 17 March 1964 shall apply thereto on a supplementary basis.

Article 7. Article 10 of Law No. 4595 of 31 December 1964 is hereby amended as follows:

"Article 10. [...]"

V – enter into rediscount and loan operations with public and private financial institutions at such interest rates, limits and terms, and subject to such forms of negotiation and other conditions as established in its own regulations;

XII – as an instrument of monetary policy, enter into operations for purchase and sale of federal public bonds at such interest rates, limits and terms, and subject to such forms of negotiation and other conditions as established in its own regulations, without prejudice to the provisions of article 39 of Complementary Law No. 101 of 4 May 2000.

XIV - approve its bylaws;

XV – as an instrument of foreign exchange policy, enter into transactions for purchase and sale of foreign currency and transactions with derivative instruments in the domestic market at such interest rates, limits and terms, and subject to such forms of negotiation and other conditions as established in its own regulations.

Paragraph 3. The Central Bank of Brazil shall give notice to the National Monetary Council before approving any operations in the manner established in item V of the head of this article whenever it identifies the possibility of a significant fiscal impact." (NR)

Article 8. Within ninety (90) days of entry into force of this Complementary Law, the President and eight (8) Directors of the Central Bank of Brazil shall be appointed to terms staggered in the manner below, without the need for confirmation by the Federal Senate for the nominees who are already in office at the time:

I - the President and two (2) Directors shall serve until 31 December 2024;

II - two (2) Directors shall serve until 31 December 2023;

III - two (2) Directors shall serve until 28 February 2023;

IV - two (2) Directors shall serve until 31 December 2021;

Single paragraph. The President and the Directors of the Central Bank of Brazil who have been appointed in the manner provided for in this article may be reappointed once.

Article 9. The office of State Minister President of the Central Bank of Brazil is hereby transformed into the Special Nature office of President of the Central Bank of Brazil.

Art. 10. The President and the Directors of the Central Bank of Brazil shall not:

I - (VETOED);

II - (VETOED);

III – hold a controlling interest or exercise any professional activity, directly or indirectly and with or without an employment relationship, in any institution of the National



BANCO CENTRAL DO BRASIL

Financial System for a period of six (6) months after serving their terms of office, resigning, or being dismissed with cause.

Single paragraph. During the period referred to in item III of the head of this article, the former officer shall be entitled to receive compensatory remuneration payable by the Central Bank of Brazil.

Article 11. The President of the Central Bank of Brazil shall present to the Federal Senate at public hearings to be held in the first and second semesters of each year an inflation report and a financial stability report explaining the decisions made in the previous semester.

Article 12. The curriculum vitae of the nominees for the offices of President or Director of the Central Bank of Brazil shall be made available for public consultation and attached to the administrative act of nomination.

Article 13. The following provisions are hereby revoked:

I - item VII of the head of article 20 of Law No. 13844 of 18 of June 2019;

II - the following provisions of Law No. 4595 of 31 December 1964:

a) items I, II and III of the head of article 3;

b) items I, II, XIV, XVI, XVII, XIX and XXV of the head of article 4, and article 4, paragraph 3;

c) article 6;

d) article 7;

e) item IV of the head of article 11;

f) article 14;

III - article 11 of Law No. 9069 of 29 June 1995.

Article 14. This Complementary Law shall enter into force on the date of its publication.

Brasília, 24 February, 2021; 200th year of Independence and 133rd year of the Republic.

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FEDERAL OFFICIAL GAZETTE

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