



# BANCO CENTRAL DO BRASIL

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## BCB RESOLUTION No. 50, OF DECEMBER 16, 2020

Provides for the requisites for establishment and execution by the Central Bank of Brazil of the controlled testing environment for financial and payment innovations (Regulatory Sandbox) – Cycle 1, as well as for the applicable procedures and requisites for the classification and the licensing to participate in this environment.

The Board of Governors of the Central Bank of Brazil, in a meeting held on December 15, 2020, based on arts. 9 and 10, item XI, of Law No. 4,595, of December 31, 1964, arts. 9, item II, and 15 of Law 12,865, of October 9, 2013, arts. 25, 40, sole paragraph, and 45 of CMN Resolution No. 4,865, of October 26, 2020, and arts. 26 and 41, sole paragraph, of BCB Resolution No.29, of October 26, 2020,

## RESOLVES :

### CHAPTER I

#### ON THE OBJECT AND SCOPE OF APPLICATION

Art. 1. This Resolution provides for the requisites for establishment and execution by the Central Bank of Brazil of the controlled testing environment for financial and payment innovations (Regulatory Sandbox) – Cycle 1, as well as for the applicable procedures and requisites for the classification and the licensing to participate in this environment.

### CHAPTER II

#### ON THE CONTROLLED TESTING ENVIRONMENT FOR FINANCIAL AND PAYMENT INNOVATIONS (REGULATORY SANDBOX) – CYCLE 1

#### Section I



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## On the Basic Characteristics

Art. 2. The Regulatory Sandbox – Cycle 1 will begin in five business days after the BCB publishes the final result, as provided for in art. 8, with duration of one year, which can be extended for an equal period of time.

Art. 3. The Regulatory Sandbox – Cycle 1 is limited to the number of ten participants, which can be increased by up to 50% (fifty percent), after the analysis of the innovative projects.

## Section II

### On the Application Phase

Art. 4. The entities interested in participating in the Regulatory Sandbox – Cycle 1 may apply from February 22 to March 19, of 2021, through submission, via the system “Protocolo Digital do Banco Central do Brasil” (“Protocolo Digital”), available on the Central Bank of Brazil’s website, of the documents and information referred to in items 1 to 9 of the Annex I to this Resolution.

Sole paragraph. The institutions licensed to participate in the Regulatory Sandbox – Cycle 1 must submit the documents referred to in items 10 to 12 of the Annex I to this Resolution, when requested by the Central Bank of Brazil.

## Section III

### On the Selection and Licensing Processes

Art. 5. The participants’ selection and licensing for the Regulatory Sandbox – Cycle 1 will be from March 22 to June 25, of 2021.

Sole paragraph. In the event that the number of applications is superior to twice the limit established in the heading of the art. 3, the Central Bank of Brazil may extend this deadline by up to 90 days.

Art. 6. The classification referred to in arts. 30 of the CMN Resolution No. 4,865, of October 26, 2020, and 31 of the BCB Resolution No. 29, of October 26, 2020, will be carried out considering the criteria and scores listed on the table laid in the Annex III to this Resolution.

Art. 7. The strategic priorities of the Central Bank of Brazil provided for in art. 30, item I, of the CMN Resolution No. 4,865/2020, and art. 31, item I, of the BCB Resolution No. 29/2020, are:

I - solutions for the foreign exchange market;

II - fostering the capital market via synergy with the credit market;

III - fostering credit provision to micro and small entrepreneurs;

IV - solutions to Open Banking;

V - solutions to the Instant Payments Scheme (Pix);

VI - solutions to the rural credit market;

VII - solutions to increasing competition in the National Financial System and in the Brazilian Payments System;

VIII - financial and payment solutions with potential effects on fostering financial inclusion;  
and

IX - fostering sustainable finance.



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Art. 8. The Central Bank of Brazil will publish the final result with a list of the entities licensed to participate in the Regulatory Sandbox – Cycle 1 after the selection and licensing period as referred in art. 5 of this Resolution.

## **Section IV On the Activities' Discontinuity Plan**

Art. 9. In the event of executing the activities' discontinuity plan referred to in art. 40, sole paragraph, item II, of the CMN Resolution No. 4,865/2020, and art. 41, sole paragraph, item II, of the BCB Resolution No. 29/2020, the participant must immediately inform the fact to its customers and users and, in up to 90 days, shutdown or transfer its exclusive operations and contracts of institutions licensed to operate by the Central Bank of Brazil to institutions regularly licensed to operate by this authority.

Paragraph 1. The participant must use the same channels employed to advertise its products to inform its customers and users about the fact that it cannot continue carrying out operations, as well as the procedures and deadlines for shutting down or transferring the operations.

Paragraph 2. The deadline mentioned in the heading may be extended for an equal period of time, at the discretion of the Central Bank of Brazil.

## **Section V On Changes to the Scope of the Innovative Project**

Art. 10. The changes to the scope of the innovative project, as provided for in art. 9 of CMN Resolution No. 4,865/2020 and art. 9 of BCB Resolution No. 29/2020, must be requested to the Central Bank of Brazil through the submission, via the "Protocolo Digital" mentioned in art. 4, of the following documents listed on Annex I to this Resolution:

- I - form provided for in item 13; and
- II - activities' discontinuity plan provided for in item 5, duly adapted, when necessary.

## **Section VI On the Substitution of the Controlling Shareholder or Manager**

Art. 11. The substitution of the participant's controlling shareholder or manager provided for in art 38 of CMN Resolution No. 4,865/2020 and art. 39 of BCB Resolution No. 29/2020, must be requested through the submission, via the "Protocolo Digital" mentioned in art. 4, of the following documents listed on Annex I to this Resolution, as the case may be:

- I - form provided for in item 14;
- II - registration form provided for in item 4;
- III - declarations provided for in items 7 and 8;
- IV - authorizations provided for in item 9.

Sole paragraph. The Central Bank of Brazil may request the submission of the documents referred to in items 10 to 12.

## **Section VII On the Revocation of the License to Participate in the Regulatory Sandbox – Cycle 1**



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Art. 12. The examination of the acts that entail the revocation upon the participant's request of the license to participate in the Regulatory Sandbox – Cycle 1, as provided for in art 40, item III, clause "a", of CMN Resolution No. 4,865, of 2020, and art. 41, item III, clause "a", of BCB Resolution No. 29/2020, is conditional on the adoption of the following measures:

I - submission of the form provided for in item 15 of the Annex I to this Resolution;

II - submission of the declaration of responsibility provided for in item 16 of the Annex I to this Resolution; and

III - proof of execution of the activities' discontinuity plan provided for in art. 9 of this Resolution.

Art. 13. Prior to the revocation ex-officio of the license to participate in the Regulatory Sandbox – Cycle 1 provided for in art. 40, item III, clause "b", of CMN Resolution No. 4,865/2020, and art. 41, item III, clause "b", of BCB Resolution No. 29/2020, the Central Bank of Brazil will:

I - notify the participant by any means that ascertain that the interested party is aware of the revocation, preferably electronically, to express its views on the intent of revocation; and

II - disclose to the public, through its website, the revocation of its license to participate in the Regulatory Sandbox, after the conclusion of the procedure of notification and expression of views provided for in item I.

### CHAPTER II FINAL PROVISIONS

Art. 14. The documents templates for the conduct of proceedings related to matters governed by this Resolution will be made available at the Central Bank of Brazil's website.

Art 15. The documents mentioned in the Annex I to this Resolution, when signed by the interested entity, must be subscribed by managers whose representativeness is endorsed by bylaws or articles of association.

Art. 16. This Resolution comes into force in January 4, 2021.

Otávio Ribeiro Damaso  
Deputy Governor for Regulation

João Manoel Pinho de Mello  
Deputy Governor for Licensing and Resolution



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## ANNEX I TO THE BCB RESOLUTION No. 50, OF DECEMBER 16, 2020 DOCUMENTS AND INFORMATION NECESSARY TO THE CONDUCT OF PROCEEDINGS

- 1 - Application form with the information laid in the Annex II to the BCB Resolution No. 50, of December 16, 2020.
- 2 - Registration form with information of the interested entity.
- 3 - Registration form with information of the director or the legal representative responsible for the Regulatory Sandbox, as the case may be.
- 4 - Registration form with information of the controlling shareholders, with the respective corporate interests, and of the managers of the interested entity.
- 5 - Activities' discontinuity plan, which must entail, at least, the following aspects:
  - I - sequence of acts and procedures to be executed in the event of activities' shutdown, aiming at the fulfillment of legal, regulatory and contractual obligations;
  - II - allocation of responsibilities to the participant and to potential third parties (such as contractees or insurers);
  - III - communication plan for the interested parties to be timely notified about activities' shutdown, observing the provisions of art. 9, paragraph 1, of this Resolution;
  - IV - alternatives offered to customers and users in the event of activities' shutdown;
  - V - deadlines and conditions for a potential return of funds to customers and users;
  - VI - barriers and risks that may affect the execution of the activities' discontinuity plan;
  - VII - mechanisms to be adopted in order to eliminate or mitigate the barriers and risks mentioned in item VI;
  - VIII - existence of instruments that ensure the transfer of exclusive operations and contracts of institutions licensed to operate by the Central Bank of Brazil to institutions regularly licensed to operate by this authority; and
  - IX - type of customer and user support to be provided after the activities' shutdown.
- 6 - Declaration, signed by the interested entity, that it is aware of its obligations towards the Central Bank of Brazil and its customers and users, in accordance with the provisions of CMN Resolution No. 4,865, of October 26, 2020, of BCB Resolution No. 29, of October 26, 2020, and of this Resolution.
- 7 - Declaration, signed by the interested entity, that it has analyzed its managers' records in public and private databases and information systems, taking responsibility for the veracity of information provided.
- 8 - Declaration, signed by the controlling shareholders and managers, that they meet the conditions established in art. 27, item III, of CMN Resolution No. 4,865/2020, and art. 28, item III, of BCB Resolution No. 29/2020, taking responsibility for the veracity of information provided.
- 9 - Authorization:
  - a) signed by controlling shareholders and managers, for the Central Bank of Brazil to access information about them in any public or private database and information systems, including judicial or administrative proceedings and procedures, as well as criminal investigations, for the exclusive use of the Central Bank



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of Brazil in its licensing and overseeing procedures, during the licensing and approval proceedings and in the course of performing control and carrying out its functions, respectively;

b) signed by the controlling shareholders, to the Brazilian Internal Revenue Service for providing the Central Bank of Brazil with the Annual Individual Income Tax Return or the Annual Corporate Income Tax Return, as the case may be, related to the last three financial years, for exclusive use of the Central Bank of Brazil in its licensing and overseeing procedures, during the licensing and approval proceedings and in the course of performing control.

10 - Copy of financial statements related to the last three financial years of the controlling companies, except companies licensed to operate by the Central Bank of Brazil, audited by an independent auditor duly registered in the Securities and Exchange Commission of Brazil, or equivalent document in the case of companies located abroad.

11 - Copy of the Annual Individual Income Tax Return of controlling individuals, directly or indirectly, related to the last three financial years, including proof of submission to the Brazilian Internal Revenue Service, or equivalent document, in the case of individuals domiciled abroad, that indicates the annual income perceived and the list of goods, rights and obligations of the individual, with the respective values, except companies licensed to operate by the Central Bank of Brazil.

12 - Demonstration of the origin and the respective financial transactions regarding the resources used in the development of the innovative project.

13 - Request form for changes to the scope of the innovative project.

14 - Request form for substitution of the controlling shareholder or manager.

15 - Request form for the revocation upon request of the license to participate in the Regulatory Sandbox.

16 - Responsibility declaration relative to the revocation ex-officio of the license to participate in the Regulatory Sandbox.



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## ANNEX II TO THE RESOLUTION BCB No. 50, OF DECEMBER 16, 2020 NECESSARY INFORMATION FOR THE APPLICATION

<b>REGULATORY SANDBOX – CYCLE 1:</b>
<b>A. Information on the interested entity</b>
1. Description of the team responsible for the innovative project, including quantity and profile of the employees, as well as physical and technological infrastructure.
2. Description of the interested entity's governance structure.
<b>B. Information on the innovative project</b>
1. Description of the innovative project, including, at least, information on the field of business and on the products and services to be provided.
2. Description of the types of customers and users that are deemed to be a part of the innovative project.
3. Description of the degree of maturity of the innovative project, informing schedule, procedures and resources required to put it into execution.
4. Indication of the origin of the funds used or to be used in the development of the innovative project.
5. Description of the reasons why the innovative project is under the regulatory competence of the National Monetary Council or of the Central Bank of Brazil.
6. Identification of the regulatory provisions issued by the National Monetary Council or the Central Bank of Brazil that would hinder the execution of the innovative project and description of how they hinder the provision of the products and services.
7. Statement that the project is within the concept of innovative project, identifying its differentials regarding the criteria set in the art. 2, item II, of the CMN Resolution No. 4,865, of October 26, 2020, and in the art. 2, item II, of the BCB Resolution No. 29, of October 26, 2020.
8. Description of the opportunity or the problem being addressed, explaining how the solution proposed in the innovative project will benefit in general consumers, companies, the National Financial System or the Brazilian Payments System.
9. Identification of the strategic priority(ies) of the Central Bank of Brazil, provided for in the art. 7 of this Resolution, to which the innovative project is in line with, accompanied by its justification.
10. Description of the risks concerned in the implementation of the innovative project and its mitigating components, indicating the magnitude of each described risks and suggesting conditions, limits and



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safeguards that may be established by the Central Bank of Brazil, individually or in combination with other regulatory authorities.

11. Indicate if the innovative project to be executed will also need to participate in the Regulatory Sandbox of the Securities and Exchange Commission of Brazil or of the Superintendence of Private Insurance. If so, please explain.

12. Indicate, in a duly justified manner, the information and documents presented in this form, whose disclosure may represent competitive advantage to other economic agents and, thus, must be treated by the Central Bank of Brazil as confidential, protected by legal duties of confidentiality.





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ANNEX III TO THE BCB RESOLUTION No. 50, OF DECEMBER 16, 2020  
TABLE OF CLASSIFICATION CRITERIA AND SCORES

CLASSIFICATION CRITERIA	MINIMUM SCORE	MAXIMUM SCORE
Strategic priorities of the Central Bank of Brazil	0	40
Degree of maturity of the innovative project	0	30
Nature and magnitude of the risks inherent to the innovative project	0	20
Technical and operational capacity and governance structure of the interested entity	0	10