BANCO CENTRAL DO BRASIL

BCB RESOLUTION 61 OF JANUARY 13, 2021

Approves the Rules of the Monetary Policy Committee (Copom).

The Board of Governors of the Banco Central do Brasil (BCB), in a session held on January 13, 2021, pursuant to articles 9 and 10, section XII, of Law 4,595 of December 31, 1964, and article 2 of Decree 3,088 of June 21, 1999,

R E S O L V E D:

Article 1. The attached rules, which govern the structure and functioning of the Monetary Policy Committee (Copom), are hereby approved.

Article 2. Circular 3,868 of December 19, 2017, is hereby revoked.

Article 3. This Resolution comes into force as of the date of its publication.

Bruno Serra Fernandes
Deputy Governor for Monetary Policy

Fabio Kanczuk
Deputy Governor for Economic Policy

This text does not replace the one published at DOU, on January 14, 2021, Section 1, p. 219-220, and at Sisbacen.

BANCO CENTRAL DO BRASIL

RULES ATTACHED TO BCB RESOLUTION 61 OF JANUARY 13, 2021

Govern the structure and functioning of the Monetary Policy Committee (Copom).

CHAPTER I
COMPETENCE

Article 1. The Monetary Policy Committee (Copom), established within the Banco Central do Brasil (BCB), based on the assessment of the macroeconomic scenario and its main associated risks, is responsible for:

I - setting the target for the Selic rate;

II - setting out the strategic directives and guidelines for the conduct of monetary policy;

III - publishing the Inflation Report referred to in article 5 of Decree 3,088 of June 21, 1999.

Paragraph 1. The Selic rate is the adjusted average rate of daily funding transactions recorded in the Special System for Settlement and Custody (Selic) of federal government securities, calculated in accordance with the methodology established in BCB Resolution 46 of November 24, 2020.

Paragraph 2. The Selic target rate is effective the business day following the end of each Copom meeting.

CHAPTER II
STRUCTURE AND FUNCTIONING

Article 2. Copom members are the Governor and the Deputy Governors of the BCB.

Article 3. Copom shall meet regularly eight times a year and extraordinarily when convened by the Governor.

Sole paragraph. The annual calendar of the regular Copom meetings shall be announced through a Communiqué from the Deputy Governor for Monetary Policy by the end of June of the year preceding the meetings, with adjustments allowed until the last day of the year in which the announcement occurs.

Article 4. Regular and extraordinary meetings shall be held with the presence of at least the Governor or his/her substitute and half the number of Deputy Governors.

Article 5. Regular meetings shall be held in two sessions:

I - the first session shall be dedicated to technical presentations on the economic situation; and

II - the second session shall be dedicated to the decision of the Selic target rate.

Paragraph 1. In the first session of the regular meetings, in addition to Copom members, the heads of the following departments shall participate and make the technical presentations:

I - International Affairs Department (Derin);

II - Department of Economics (Depec);

III - Research Department (Depep);

IV - Department of Banking Operations and Payments System (Deban);

V - Open Market Operations Department (Demab); and

VI - Department of Foreign Reserves (Depin).

Paragraph 2. In the absence of the heads of department mentioned in paragraph 1, the Deputy Governors of the respective areas shall appoint a substitute, who shall make the technical presentations.

Paragraph 3. Other members of the BCB staff and the BCB's Press Office Advisor may, upon the Governor's consent, participate in the first session of the regular meetings.

Paragraph 4. In the second session of the regular meetings, in addition to Copom members, the head of Depep shall participate, without the right to vote, and shall make a technical presentation.

Paragraph 5. In extraordinary meetings shall participate Copom members and, upon the Governor's consent, other members of the BCB staff.

Article 6. Copom shall decide by a simple majority of votes, orally cast, with the Governor having the casting vote.

Article 7. The Statement of Copom's decision shall be released on the date of the second session of the regular meeting, from 6:30 pm on and immediately after the end of the session.

Paragraph 1. The Statement referred to in this article shall identify each Copom member's vote.

Paragraph 2. In the event of an extraordinary meeting, the time of the Statement's release shall be determined by the Deputy Governor for Monetary Policy.

Article 8. The Minutes of the Copom meeting shall contain the decision made, the nominal record of the votes cast by its members, and a summary of the discussions held during the meeting.

Sole paragraph. The Minutes of the Copom meeting shall be published within 4 (four) business days from the date of the end of the meeting.

CHAPTER III
DUTIES OF COPOM MEETINGS PARTICIPANTS

Article 9. The duties of Copom members are:

I - Governor and Deputy Governors: assess the information, presentations, and documents provided as inputs for the Committee's decision;

II - Governor: preside over the meetings and, at the end, proceed with the voting;

III - Deputy Governor for Monetary Policy:

a) organize and coordinate the meetings;

b) release, through a Statement, the decisions made by Copom;

IV - Deputy Governor for Economic Policy: coordinate the preparation of the Inflation Report and the Minutes referred to in article 8.

Article 10. In the technical presentations mentioned in article 5, the heads of departments shall inform Copom members of the most relevant facts related to the assessment and outlook of the following subjects:

I - Head of Derin: international economic situation;

II - Head of Depec: domestic economic situation and analysts' expectations for macroeconomic variables;

III - Head of Depep: prospective inflation;

IV - Head of Deban: liquidity conditions and functioning of the banking system;

V - Head of Demab: money market and open market operations; and

VI - Head of Depin: international financial and foreign exchange markets.

CHAPTER IV
BLACKOUT PERIOD

Article 11. The Blackout Period is a period before and after Copom meetings.

Sole paragraph. The Blackout Period extends from the Wednesday preceding the Copom regular meeting until the release of the Minutes referred to in article 8.

Article 12. During the Blackout Period, Copom members are prohibited from:

I - making statements on Copom matters in speeches, press interviews, and meetings with individuals who may have an interest in Copom decisions, including regulated entities, economists, investors, market analysts, and businesspeople; and

II - authorizing the publication of statements concerning Copom matters, even if made outside the Blackout Period.

Sole paragraph. Copom matters are all those related to the state of the Brazilian or international economy, including interest rates, exchange rates, and any other issues that may influence or be influenced by Copom decisions.

Article 13. During the Blackout Period, provided the prohibition established in article 12 is respected, Copom members may participate in events and meetings, including:

I - meetings of national, international, or multilateral groups or organizations they belong; and

II - meetings on **latu sensu** supervisory matters.

Article 14. Any violation of article 12 by any Copom member shall be promptly reported to the Governor, who shall decide on the member's participation in the meeting.

Article 15. The prohibition established in article 12 may be waived by decision of the Governor.

Sole paragraph. In the event of an exceptional need to communicate on Copom matters during the Blackout Period, the Governor may make public statements, to which shall be given as much publicity as possible.

DISCLAIMER: This document represents the best effort of the Banco Central do Brasil to provide an English version of the resolution. In case of inconsistency, the Portuguese version prevails.