

JOINT RESOLUTION No. 13, DECEMBER 3, 2024

Provides for non-resident investment in the financial market and the securities market

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The Central Bank of Brazil and the Securities and Exchange Commission of Brazil hereby announce that the Board of Governors of the Central Bank of Brazil, in a session held on November 28, 2024, based on Article 10, caput, item VII, of Law No. 4,595, of December 31, 1964, and Article 10, caput, items I, II, and III, of Law No. 14,286, of December 29, 2021, and the Board of Commissioners of the Securities and Exchange Commission of Brazil, in a session held on December 3, 2024, based on Article 8, caput, item I, of Law No. 6,385, of December 7, 1976,

HEREBY RESOLVED:

CHAPTER I

GENERAL PROVISIONS

Article 1. This Joint Resolution regulates the flows, stocks, investor registration, and information provision related to non-resident investment in the financial market and the securities market, including through the Depositary Receipts mechanism.

Sole paragraph. The non-resident investment mentioned in the caput, as well as its respective payments and transfers, must comply with this Joint Resolution, the foreign exchange market regulation, and other applicable laws.

Article 2. The operations covered by this Joint Resolution must adhere to legality, economic rationale, and compatibility with conditions usually observed in international markets.

Article 3. For the purposes of this Joint Resolution, the following definitions apply:

I - **Investor:** an individual or a legal entity, funds, and other collective investment vehicles, acting as individual or collective investors;

II - **Custodian institution:** a financial institution or an institution licensed by the Central Bank of Brazil that provide custody services in the country, and an institution authorized by the Securities and Exchange Commission of Brazil to provide securities custody services in the country, within their respective competences;

III - **Depositary Receipts:** certificates issued abroad by a depositary institution representing assets held in specific custody in the country;

IV - **Depository institution:** an institution abroad subject to financial regulation and supervision in its country of origin, which issues the corresponding Depositary Receipts;

V - **Sponsoring company:** the issuer in Brazil of the assets backing the Depositary Receipts program, which is also a party to a specific agreement with the depository institution; and

VI - **Intermediary:** a financial institution or an institution licensed by the Central Bank of Brazil through which the investor carries out investments in the financial market or the securities market.

Article 4. The provision of collateral abroad for operations carried out under this Joint Resolution and processed within clearinghouses and clearing and settlement service providers is subject to specific regulations by the Central Bank of Brazil for settlement systems.

Sole paragraph. The Central Bank of Brazil may establish conditions and limits on the amount of collateral that may be held abroad, considering:

I - the soundness and efficiency of the Brazilian Payments System; and

II - the enforceability of the collateral.

CHAPTER II

FLOWS AND STOCKS

Section I

Investment in the financial market and the securities market

Article 5. Non-resident investment in the financial market and the securities market must be carried out in the same financial instruments and modalities available to resident investors, with equivalent registration requirements and operational limits, while respecting trading environment limitations and other conditions expressly outlined in applicable regulations.

Article 6. Prior to their operations, non-resident investors must:

I – appoint one or more representatives in Brazil; and

II – obtain registration with the Securities and Exchange Commission of Brazil, in accordance with applicable regulation.

Sole paragraph. The functions of representation for the purposes of this Joint Resolution and other functions related to custody, intermediation, and fund transfers may be performed by the same legal entity.

Article 7. The representative function mentioned in Article 6, caput, item I, may be performed by a financial institution or an institution licensed by the Central Bank of Brazil, as well as by clearinghouses and clearing and settlement service providers supervised by the Central Bank of Brazil under the Brazilian Payments System.

Sole paragraph. The representative mentioned in the caput is not necessarily the same as the representative designated under tax legislation.

Article 8. Without prejudice to applicable regulations, the non-resident investor's representative mentioned in Article 6, caput, item I, has the following powers and obligations,

which must be expressly outlined in the document establishing the representative's functions:

I – to carry out and to keep the non-resident investor's registration with the Securities and Exchange Commission of Brazil up to date, as referred to in Article 6, caput, item II;

II – to provide the information requested by the Central Bank of Brazil and the Securities and Exchange Commission of Brazil and maintain, for a minimum period of ten years:

- a) individualized control for each represented investor of inflows and outflows made under provisions of this Joint Resolution, including adherence to the limitation of financial transfers to the balance of the non-resident investor's investment;
- b) proof of compliance with contractual obligations and fund transfers; and
- c) documentation required from the parties involved in the operation, as stated in Article 23;

III – to promptly notify the Central Bank of Brazil and the Securities and Exchange Commission of Brazil, within their respective competences, of any irregularity it becomes aware of;

IV – to promptly notify the Securities and Exchange Commission of Brazil of the termination of the representation contract;

V – to receive, on behalf of the non-resident investor, citations, summonses, and notifications related to administrative, arbitral, or judicial procedures based on financial market and securities market legislation, related to operations under the representation contract; and

VI – to transfer information and documents necessary for representation in case a new representative is appointed by the non-resident investor.

Sole paragraph. If the obligations outlined in this Joint Resolution are not met, the representative shall be prohibited from performing their representative functions, without prejudice to any applicable penalties, and the non-resident investor must appoint a new representative.

Article 9. The financial assets and securities traded, as well as other financial operations conducted by a non-resident investor resulting from the investments referred to in this Joint Resolution, shall, according to their nature:

I – be registered by a financial institution or an institution licensed to perform the registration activity for financial assets or securities by the Central Bank of Brazil or the Securities and Exchange Commission of Brazil, within their respective competences;

II – be held in custody by a financial institution or an institution licensed to provide such custody services by the Central Bank of Brazil or the Securities and Exchange Commission of Brazil, within their respective competences;

III – be registered in a system operated by an entity licensed to perform the registration of financial assets or securities by the Central Bank of Brazil or the Securities and Exchange Commission of Brazil, within their respective competences;

IV – be deposited in a centralized deposit system operated by a central depository licensed to perform the centralized deposit activity of financial assets or securities by the Central Bank

of Brazil or the Securities and Exchange Commission of Brazil, within their respective competences; or

V – be held in a deposit account or prepaid payment account at a financial institution or payment institution licensed by the Central Bank of Brazil, or in a registry account under the terms of Article 12 of CMN Resolution No. 5,008, of March 24, 2022.

Article 10. The use of funds under this Joint Resolution for the purchase or sale of securities must be carried out in an organized market or other circumstances permitted by the Securities and Exchange Commission of Brazil.

Article 11. Transfers of investments or securities belonging to non-resident investors outside the provisions of the Central Bank of Brazil or the Securities and Exchange Commission of Brazil are prohibited.

Article 12. For the purposes of this Joint Resolution, in the event of a change in the investor's status as a resident or non-resident, investments in the financial market and securities market may remain under the originally agreed conditions without the need for redemption or position closure.

§1. Investors are responsible for notifying the institution with which they have a relationship in the event of a change in their residency status and shall comply with the requirements for their new status of residence.

§2. It is the responsibility of the representative, when such appointment is required, to update the information specified in Article 8 until the change in the non-resident to resident status is completed.

§3. The institution of relationship must update the investor's records and provide or make available the information and procedures relevant to their new status of residence.

Article 13. For the investments covered by this Joint Resolution, receipts, payments, and other financial transfers through accounts held abroad are prohibited.

§1. The prohibition in the caput does not apply to transactions related to forwards, futures, and options contracts for agricultural products contracted in Brazil by non-residents, subject to applicable regulations of the Central Bank of Brazil, the Securities and Exchange Commission of Brazil, and other provisions of this Joint Resolution.

§2. In the case outlined in §1, clearinghouses and clearing and settlement service providers, and representatives are responsible for financial settlements in Brazil of the respective amounts paid or received abroad, as provided for in the regulations.

Article 14. Non-resident legal entities investing in financial assets through non-resident accounts in Brazilian reais (BRL) in their own behalf are not subject to the requirements of Article 6.

Sole paragraph. The provision in the caput does not apply to securities under Law No. 6,385, of December 7, 1976.

Article 15. Non-resident investors are prohibited from using accounts in Brazilian reais held in Brazil to invest funds belonging to residents in the financial and securities markets.

Article 16. For the purposes of this Joint Resolution, non-resident natural persons are exempt from the following requirements referred to in Article 6:

I – appointing a representative, in the following cases:

- a) investments in securities, including through a non-resident account in Brazilian reais maintained in their own behalf, using their own resources;
- b) investments in financial assets through a non-resident account in Brazilian reais maintained in their own behalf, using their own resources; and
- c) investments in financial assets not made through a non-resident account in Brazilian reais maintained in their own behalf, using their own resources, for total monthly contributions of up to BRL 2,000,000.00 (two million Brazilian reais) through each intermediary; and

II – registration with the Securities and Exchange Commission of Brazil, provided that requirements established by the Commission are met.

§1. Non-resident investments under the Treasury Direct Program must also comply with specific procedures and limits defined by the regulations governing that program.

§2. Each intermediary is responsible for individualized control of inflows and outflows for each investor under this article, including adherence to the limitation of financial transfers to the balance of the non-resident investor's investment.

Article 17. The trading of financial assets and securities, as well as other financial operations carried out by a non-resident investor related to the investment referred to in this Joint Resolution, must comply with the same provisions and procedures applicable to custody services for resident investors.

Section II

Investment through the Depositary Receipts mechanism

Article 18. Depositary Receipts must be backed by the following assets, including those already negotiated in the market, deposited in specific custody in the country:

I – securities issued by Brazilian publicly owned companies, securitization companies, investment funds, or other entities supervised by the Securities and Exchange Commission of Brazil;

II – credit securities eligible to compose the Regulatory Capital (“Patrimônio de Referência – PR”) issued by financial institutions and other publicly owned institutions licensed to operate by the Central Bank of Brazil; and

III. Guaranteed Real Estate Notes (“Letras Imobiliárias Garantidas”).

Article 19. Financial institutions and other institutions licensed to operate by the Central Bank of Brazil, headquartered in Brazil, participating as sponsoring companies in Depositary Receipts programs, shall comply with the regulatory provisions regarding changes in control, qualification as a holder of significant participation, and conversion of subordinated debt into shares.

Sole paragraph. The issuance of Depositary Receipts backed by assets that may alter the corporate control of the institutions mentioned in the caput is conditional to the provision

that the political rights of these assets are suspended until the Central Bank of Brazil approves the transfer or change in corporate control.

Article 20. The custodian institution must keep the information about the assets backing the Depositary Receipts updated with the central depositories authorized by the Central Bank of Brazil or the Securities and Exchange Commission of Brazil.

Article 21. The custodian institution shall ensure that the depository institution abroad is subject to financial regulation and supervision in its country of origin.

Article 22. Investments through the Depositary Receipts mechanism are not subject to the provisions of Section I.

CHAPTER III

INFORMATION DISCLOSURE

Article 23. The representative, custodian, intermediary, and financial institutions that carry out financial transfers shall define, based on their assessment and criteria formally outlined in their internal policies, the information and supporting documentation to be requested from the parties involved, considering the client's profile and aspects of the operation.

§1. Information about the operation and supporting documentation shall be retained for a minimum period of ten years, counted from the redemption of the investment. During this period, the Central Bank of Brazil and the Securities and Exchange Commission may request such information whenever deemed necessary.

§2. For information and documentation aimed at preventing money laundering, financing of terrorism, and the proliferation of weapons of mass destruction (AML/CFT/FTP), the applicable regulations must be observed.

Article 24. Institutions or entities mentioned in Article 9 must, within the deadlines and formats requested, make available to the Central Bank of Brazil and the Securities and Exchange Commission of Brazil individualized information, by end client, regarding investment in the financial market and the securities market.

Article 25. The custodian institution of the assets underlying Depositary Receipts is responsible for providing the information mentioned in Article 20 to the Central Bank of Brazil.

CHAPTER IV

FINAL PROVISIONS

Article 26. Registration with the Central Bank of Brazil made under CMN Resolution No. 4,373, dated September 29, 2014, according to its Annexes I and II, as well as registration under CMN Resolution No. 2,687, dated January 26, 2000, will be exempt from updates and will remain available for consultation for one year after the new regulation enters into force.

Article 27. The following are hereby revoked:

I – CMN Resolution No. 2,687, dated January 26, 2000, published in the Official Gazette on January 27, 2000;

II – BCB Circular No. 3,689, dated December 16, 2013, published in the Official Gazette on December 17, 2013;

III – CMN Resolution No. 4,373, dated September 29, 2014, published in the Official Gazette on October 1, 2014;

IV – CMN Resolution No. 4,569, dated May 26, 2017, published in the Official Gazette on May 30, 2017;

V – CMN Resolution No. 4,761, dated November 27, 2019, published in the Official Gazette on November 28, 2019;

VI - CMN Resolution No. 4,852, dated August 27, 2020, published in the Official Gazette on August 31, 2020;

VII. BCB Resolution No. 281, dated December 31, 2022, published in the Official Gazette on December 31, 2022; and

VIII. Articles 2 and 3 of BCB Resolution No. 348, dated October 17, 2023, published in the Official Gazette on October 19, 2024.

Article 28. This Joint Resolution shall enter into force on January 1, 2025.

JOÃO PEDRO BARROSO DO NASCIMENTO
Chairman of the Securities and Exchange
Commission of Brazil

ROBERTO DE OLIVEIRA CAMPOS NETO
Governor of the Central Bank of Brazil