



# **BANCO CENTRAL DO BRASIL**

RESOLUTION 4,280 OF OCTOBER 31, 2013

Provides for the preparation, disclosure and remittance to the Central Bank of Brazil of Consolidated Financial Statements of the Prudential Conglomerate and revokes Resolution 4,195 of March 1, 2013.

The Central Bank of Brazil, pursuant to art. 9 of Law 4,595 of December 31, 1964, hereby announces that the National Monetary Council, in a meeting held on October 31, 2013, based on art. 4, items VIII and XII of the referred Law, and considering the provisions of arts. 44 of the same Law and 61 of Law No. 11.941 of May 27, 2009,

## **R E S O L V E D:**

Art. 1. The financial institutions and other institutions licensed by the Central Bank of Brazil, except credit unions, must prepare the financial statements mentioned in art. 2 in a consolidated form, including data relative to the following entities, either located in Brazil or abroad, over which the institution has direct or indirect control:

I – financial institutions;

II - other institutions licensed by the Central Bank of Brazil;

III - consortium administrators;

IV - payment institutions;

V - companies that perform acquisition of credit operations, including real estate, or credit rights, like factoring companies, securitization companies and exclusive purpose societies;

VI - other legal entities domiciled in the Brazil that have as an exclusive objective an equity interest in the entities mentioned in items I through V.

Art. 2. The consolidated financial statements referred in this article must be remitted to the Central Bank of Brazil, in the terms established by the latter, in the following form:

I – on a monthly basis: Analytical Balance Sheet – Prudential Conglomerate; and

II – on a semi-annual basis, in June and December:

a) Balance Sheet - Prudential Conglomerate;

b) Income Statement - Prudential Conglomerate;



## **BANCO CENTRAL DO BRASIL**

c) Demonstration of Changes in Net Worth - Prudential Conglomerate;

d) Demonstration of Cash Flows - Prudential Conglomerate.

Paragraph 1. The financial statements mentioned in item II of the heading must be published by the leading institution of the conglomerate together with explanatory notes.

Paragraph 2. The Central bank of Brazil is hereby authorized to dismiss the remittance of one or more financial statements mentioned in item II of the heading for the sake of rationalizing the flow of information.

Art. 3. For the purposes of art.1, the existence of control is characterized by:

I – an equity interest in companies located in Brazil or abroad in which the institution has, either directly or not, either individually or in conjunction with other partners, including deriving from agreements in voting, partner rights that assure a predominance in corporate decisions or the power to elect or to remove the majority of directors; or

II – an effective operational control, characterized by a joint administration or management or by operation in the market under the same brand or trade name.

Art. 4. The investment funds in which the entities that compose a prudential conglomerate, under any form, take or retain substantial risks and benefits must be included in the financial statements referred to in this Resolution.

Art. 5. The equity interests of the institutions referred to in art. 1, in which there is shared control must be valued through equity method.

Art. 6. The consolidated financial statements referred to in this Resolution and their respective explanatory notes, relative to the dates of June 30 and December 31, are subject of a semiannual examination and report by independent auditors, under the minimum requirements established by the Central Bank of Brazil.

Paragraph 1. The independent auditors must ensure:

I - that the values provided adequately represent the position of the prudential conglomerate in economic, financial, equity and cash flows terms; and

II - that the consolidation procedures set out in the Accounting Plan of National Financial System Institutions (Cosif) were observed;

Paragraph 2. The report of the independent auditors mentioned in the heading must be published together with the corresponding consolidated financial statements.

Art. 7. In the preparation of the financial statements referred to in this Resolution, the institutions mentioned in the heading of art. 1 must:



## **BANCO CENTRAL DO BRASIL**

I - apply all definitions and criteria for valuation and recognition of assets, liabilities, income and expenses established in regulation embodied in Cosif; and

II - perform the necessary adjustments to the valuation and recognition of assets, liabilities, revenues and expenses of entities that are not subject to the rules of Cosif in order that they reflect the regulation embodied in Cosif.

Art. 8. With the purpose of avoiding distortion in the quantitative and qualitative representation of the consolidated net worth, and considering the actual situation of the prudential conglomerate, the Central Bank of Brazil is hereby authorized to determine the inclusion or exclusion of entities in the preparation of the consolidated financial statements referred to in this Resolution.

Art. 9. The Central Bank of Brazil may, regardless of other applicable measures, determine a new preparation and remittance of the consolidated financial statements referred to in this Resolution, with the corrections deemed necessary, in order to express properly the economic and financial reality of the entity.

Art. 10. The institutions mentioned in heading of art. 1 must ensure to the Central Bank of Brazil full and unrestricted access to all information, data, consolidation maps, documents, interpellations, questioning and verifications necessary for a proper evaluation of assets and liabilities and of risks incurred by the entities consolidated in the prudential conglomerate, regardless of their operational activities.

Art. 11. The provisions of this Resolution regarding the preparation and remittance to the Central Bank of Brazil of the consolidated financial statements of the prudential conglomerate do not apply to consortium administrators, which must follow the accounting standards issued by the Central Bank of Brazil under its legal competence.

Art. 12. The Central Bank of Brazil will regulate the additional procedures to be observed in the preparation, remittance and disclosure of the consolidated financial statements referred to in this Resolution, including provisions on deadlines, form and conditions for their remittance and disclosure.

Art. 13. This Resolution shall come into force on January 1, 2014.

Art. 14. Resolution 4,195 of March 1, 2013 is hereby revoked.

Alexandre Antonio Tombini  
President of the Central Bank of Brazil