



BANCO CENTRAL DO BRASIL

CIRCULAR Nº 3.691, OF DECEMBER 16, 2013.

Regulates the Resolution Nº 3,568, dated May 29, 2008, that makes provisions on the foreign exchange market and makes other provisions.

The Board Directors of the Banco Central do Brasil (BCB), in its meeting held on December 12, 2013, based on the provisions of the article 23 of Law No. 4,131, dated September 3, 1962, in articles 10 section VIII, and 11 paragraph III of Law No. 4,595, dated December 1964, in article 6 of Resolution No. 3,312 dated August 31, 2005, in article 38 of Resolution 3,568, dated May 29, 2008, in article 21 of Resolution No. 3,954, dated February 24, 2011, in article 4 of Resolution No. 4,033, dated November 30, 2011, in article 2 of Resolution No. 4,198, dated March 15, 2013, and in view of article 12 of Law No. 7,738, dated March 9, 1989, and article 1 of Resolution No. 3,222, dated July 29, 2004,

R E S O L V E D:

TITLE I GENERAL PROVISIONS SOLE CHAPTER

Article 1. This Circular deals with regulatory provisions and procedures related to the foreign exchange market under Resolution No. 3,568, of May 29, 2008, which includes:

I - operations of purchase and sale of foreign currency and transactions in gold as foreign exchange instrument, performed with institutions authorized by the BCB to operate in the foreign exchange market, as well as domestic currency operations between residents, domiciled or headquartered in Brazil and residents, domiciled, or headquartered abroad;

II - operations related to receptions, payments and transfers to and from other countries by use of international cards, as well as the performance of international postal transfers of money (postal orders), including postal vouchers and international postal reimbursements.

Article 2. Individuals and legal entities may purchase and sell foreign currency or perform international transfers in Brazilian real (BRL)¹, of any nature, without limitation of amount, regarding that the counterparty in the operation is an agent authorized to operate in the foreign exchange market, observed the lawfulness of the operation, based on its economic reasons and the responsibilities defined in the related documentation.

Sole paragraph. The provisions on the main section of this article also apply to purchases and sales of foreign currency by individuals or legal entities resident, domiciled or headquartered in Brazil, to build up cash abroad and its return, as well as **back to back** operations.

Article 3. Additionally, the following are applicable to operations performed in the foreign exchange market:

¹ Brazilian currency will be referred to as BRL in this document.



BANCO CENTRAL DO BRASIL

I - financial transfers related to investments abroad by financial institutions and other institutions authorized to function by the BCB must comply with specific regulation;

II - investment funds may transfer resources to and from abroad related to their investments abroad, noting that they must comply with the regulation issued by the *Comissão de Valores Mobiliários* (CVM²) and with the foreign exchange rules issued by BCB;

III - financial transfers related to investment abroad by private pension entities must comply with specific regulation.

Article 4. Particular provisions on each operation dealt with in specific titles of this Circular must be observed, and transfers to and from other countries shall depend, in addition, on compliance and observance of applicable legislation and regulation on the matter, including those from other government bodies.

Article 5. Transfers of funds under this Circular imply assumption by the customer, under the penalties of the law, of the responsibility for the legitimacy of the documentation produced before the agent authorized to operate in the foreign exchange market.

Article 6. The settlement, in the foreign exchange market, in foreign currency equivalent, of commitments in domestic currency, of any nature, entered into between natural or legal persons who are resident, domiciled or headquartered in Brazil and natural and legal persons who are resident, domiciled or head quartered abroad is permitted, provided that the appropriate documentations is properly produced.

Article 7. Operations aimed at protecting against the risk of interest rate change, parities between foreign currencies and process of goods in the international market shall observe the provisions on Resolution No. 3,312, of August 31, 2005; and on Circular No. 3,689, of December 16, 2013.

Article 8. Natural and legal persons who are resident, domiciled or headquartered in Brazil may honor his external commitment:

I - in foreign currency, through foreign exchange operation;

II - in domestic currency, crediting the funds to the current account of the natural or legal person who is resident, domiciled or headquartered abroad, such account opened and maintained in Brazil under the legislation and regulation in effect;

III - with use of his own abroad assets, duly complying, as the case may be, with specific statements contained in legislation in force, specially the provisions on Circular No. 3,689, of 2013.

Article 9. Operations in the foreign exchange market mentioned by this Regulation shall be performed solely through institutions authorized by the BCB for such purpose, as defined in chapter 2 of this title.

² Translated: Securities and Exchange Commission of Brazil.



BANCO CENTRAL DO BRASIL

Article 10. For the purpose of this Circular, references to purchase and to sale of foreign currency mean that the agent authorized to operate in the foreign exchange market is either the buyer or the seller, respectively.

Article 11. Payments to and receipts from foreign countries shall be performed through bank transfers or, exceptionally, through other means specifically foreseen by applicable legislation and by this Circular.

Paragraph 1. In the case of remittance to offshore, the respective electronic message must contain the name, the identification number, address and number of bank account or CPF/CNPJ of the sender of the order, when the delivery of currency by the issuer is not performed through current account debit.

Paragraph 2. Financial institutions should pay special attention to inflows through electronic messages that do not include the name, address, identification number and the bank account of the issuer abroad.

Article 12. The institution authorized to operate in the foreign exchange market must promptly notify the beneficiary on the receipt of payment order in foreign currency coming from abroad in her name, informing that the payment order can be negotiated in full or partially.

Sole paragraph. A payment order not completed abroad shall be the subject of a foreign exchange contract with the former taker of such order, under the same foreign exchange classification of the transfer abroad and code of the specific group, and the bank shall communicate the event to such taker within three business days from the date in which the bank received the information of the failure to complete the payment order from its correspondent abroad.

Article 13. The foreign exchange rate is freely agreed among the agents authorized to operate in the foreign exchange market or between such agents and their customers on foreign exchange operations that can be contracted for immediate or future settlement and, in the case of interbank operations they can also be contracted for forward settlement, observing that:

I - for operations with immediate or future settlement, the foreign exchange rate shall reflect solely the price of the currency on the date of the foreign exchange contract, being allowed, in operations for future settlement, the negotiation of a premium or a bonus;

II - for forward operations, the foreign exchange rate is freely negotiated among the parties and it shall reflect the price of the foreign currency on the date of the settlement of the foreign exchange operation.

Article 14. The purchase or the sale of foreign currency priced at unusual rates or at rates that may indicate foreign exchange evasion and price manipulation or artificial price formation are subject to the penalties and other sanctions envisaged by applicable legislation and regulation in effect.



BANCO CENTRAL DO BRASIL

Article 15. In order to determine the equivalent value in United States dollars of foreign exchange operations performed with other foreign currencies, one shall use the most recent parity correlation available, on the date of the event, in the *Sistema de Informações Banco Central (Sisbacen)*³, transaction PTAX800, option 1.

Article 16. In foreign exchange operations performed with customers for immediate settlement up to US\$ 100,000.00 (one hundred thousand United States dollars) or its equivalent in other currencies, the agents authorized to operate in the foreign exchange market must transmit to BCB the Total Effective Value (VET)⁴, in BRL per unit of foreign currency and calculated considering the exchange rate, taxes and fees that may be charged.

Article 17. Agents authorized to operate in the foreign exchange market, as well as companies responsible by financial transfers related to use of international cards and companies performing international postal financial transfers shall comply with the foreign exchange legislation and regulation.

Article 18. Agents authorized to operate in the foreign exchange market shall comply with the rules regarding the perfect identification of their customers as well as to assess the responsibility of the parties and the lawfulness of the operations performed.

Article 19. Banknote dispensing machine may also receive and deliver BRL in transactions up to US\$ 3,000.00 (three thousand dollars) or its equivalent in other currencies.

Sole paragraph. In the purchase and sale of foreign currency performed through banknote dispensing machine, customer shall be identified by card of international use, with electronic validation of ownership, or by passport, with data reading and electronic validation of authenticity.

Article 20. In an operation of foreign currency sale, the equivalent value in BRL shall be accepted by the seller through:

I - debt to deposit account held by the buyer;

II - receipt of a crossed check issued by the buyer, crossed, payable to the seller and not endorsable; or

III - *Transferência Eletrônica Disponível (TED)*⁵ or other funds transferring bank order, provided that such order is issued by the buyer and the corresponding funds are debited to a deposit account held by such buyer.

Article 21. In a foreign currency purchase operation, the equivalent value in BRL shall be delivered to the seller through:

I - credit to deposit account held by the seller;

³ Translated: the BCB information system, which will be referred to as *Sisbacen* in this document.

⁴ For more information, please visit < <http://www.bcb.gov.br/?ENGVETFAQ> >.

⁵ Translated: Electronic Funds Transfer.



BANCO CENTRAL DO BRASIL

II - TED or any other funds transfer bank order issued by the buyer to be credited to deposit account held by the seller;

III - check issued by the buyer, payable to the seller, crossed and not endorsable.

Article 22. The provisions of Articles 20 and 21 above do not apply to purchases and sales of foreign currency in which the equivalent value in domestic currency is below R\$ 10,000.00 (ten thousand BRL) for each customer, a case in which payment or receipt of the amount in BRL may be accepted through any means of payment used in the financial market, including payment in cash.

Article 23. The *Empresa Brasileira de Correios e Telégrafos* (ECT)⁶ is authorized to perform international money reimbursement and international postal order, provided that the international postal order is restricted to transactions with customers up to US\$ 50,000.00 (fifty thousand United States dollars) or its equivalent in other currencies, for immediate settlement and not subject to registration at the BCB.

Paragraph 1. The provisions for the foreign exchange market apply to the operation mentioned in the main section of this article, particularly those regarding the lawfulness of the transaction, based on economic reasons and the responsibilities set out in relevant documentation as well as every procedure concerning customers identification, delivery or receipt of equivalent amount in BRL and the prohibition of clearing with payments on the interest of ECT.

Paragraph 2. The ECT is obliged to deliver to the customer the voucher of each operation with international postal order, which must contain the parties' identification, the foreign currency, the transaction nature, the exchange rate, the amounts in foreign and domestic currency as well as the VET.

Article 24. In operations with requirement for advance payment to abroad, if the underlying transaction is not completed, the buyer of foreign currency shall bring the corresponding funds back to Brazil and when the funds are effectively reimbursed, the classification must be the one applied to the remittance abroad, with the specific group code.

Article 25. Foreign exchange operations may not be fragmented in order to take advantage of any right specially granted under this regulation.

Article 26. Financial institutions and other institutions authorized to operate by the BCB that are authorized to operate in the foreign exchange market may convert foreign currency cash into foreign currency deposit and vice versa in operations among themselves or with institutions abroad.

Sole paragraph. Upon request by financial institutions and other institutions authorized to operate by the BCB that are authorized to operate in the foreign exchange market the BCB may, by his own criteria, transform foreign currency cash into foreign currency deposit and vice-versa, as well as perform arbitrage.

⁶ Translated: Brazilian Post and Telegraph Company.



BANCO CENTRAL DO BRASIL

Article 27. Intermediation by brokerage societies is optional in foreign exchange operations of any nature regardless the value of the operation and the brokerage fee is freely agreed between the parties.

Article 28. Foreign exchange contracts and international transfers in BRL related to payments abroad and to receipts from abroad must be separately formalized with the total amount of each nature code.

Article 29. In foreign exchange contracts or international transfers in BRL that have, respectively, settlement or recording in *Sisbacen* in the same date, each operation must be contracted at its gross amount, however, the international funds transfers can be settled at its net value, regarding the conditions of legal creditor/debtor in compliance with the regulation.

Article 30. For all purposes, simultaneous foreign exchange operations or simultaneous international transfers in BRL are considered effective operations, regarding that all operating procedures envisaged in applicable regulation must be complied and respective taxes must be paid.

Paragraph 1. [\(Revoked by Circular No. 3.752, of 27 March 2015\)](#)

Paragraph 2. Simultaneous operations are:

I - foreign exchange operations consisting of a sale operation and a purchase operation of the same value, currency, contract date and settlement date, both of which have spot settlement and delivery form of the foreign currency classified as "symbolic";

II - international transfer transfers in BRL consisting of a debit and a credit of the same amount made in the same date in a deposit account held by a resident or domiciled abroad.

[\(Paragraph 2 amended by Circular No. 3,845 of 13 september, 2017\)](#)

Paragraph 3. [\(Revoked by Circular No. 3.752, of 27 March 2015\)](#)

Paragraph 4. On simultaneous foreign exchange operations required by the regulations the corresponding BRL transfers are exempted.

[\(Paragraph 4 included by Circular No. 3,845 of 13 september, 2017\)](#)

Paragraph 5 Regarding the transactions referred to in Paragraph 4, the delivery and receipt of BRL are considered effective for all purposes, including for the settlement of foreign exchange operations and for tax purposes.

[\(Paragraph 5 included by Circular No. 3,845 of 13 september, 2017\)](#)

Article 31. Foreign exchange operations relative to financial transfers to and from abroad that have the purpose of returning funds that were not used for the objective originally indicated, or that were unduly transferred, must be classified under the same nature code as the foreign



BANCO CENTRAL DO BRASIL

exchange operation to which they are linked, must be classified under the group code “49 - *devolução de valores*”⁷ and must be linked to the original foreign exchange contract.

Sole paragraph. In the event of returning values relative to operations that are subject to registration with the BCB, the respective registration number must be informed in the proper field of the foreign exchange contract relative to the return.

Article 32. The institutions authorized to operate in the foreign exchange market must register in a report the analysis of operations with natural and legal persons (including financial institutions and companies) located in countries which do not apply or apply insufficiently the recommendations of the Financial Action Task Force (FATF), and in the case of not being clearly characterized in their lawfulness and economic reasons, communicate to the *Conselho de Controle de Atividades Financeiras* (COAF)⁸ in the manner determined by the BCB.

TITLE II FOREIGN EXCHANGE MARKET AGENTS SOLE CHAPTER

Article 33. BCB may grant authorizations to perform operations in the foreign exchange market to multiple banks, commercial banks, saving banks, investment banks, development banks, foreign exchange banks, development agencies, credit, financing and investment societies, securities and stocks brokerage societies, securities and stocks dealers societies and foreign exchange brokerage societies.

Article 34. Agents of the foreign exchange market may perform the following operations:

I - banks, except development banks, and *Caixa Economica Federal*⁹: all operations mentioned in this Circular;

II - development banks, credit, financing and investment societies and development agencies: specific operations authorized by the BCB;

III - securities and stock brokerage societies, securities and stock dealers societies and foreign exchange brokerage societies:

- a) foreign exchange operations contracted for immediate settlement up to the limit of US\$ 100,000.00 (one hundred thousand United States dollars) or its equivalent value in other currencies;
- b) interbank market operations contracted for immediate settlement, arbitrage operations in Brazil and, through a bank authorized to operate in the foreign exchange market, arbitrage operations with other countries;

⁷ Translated: return of values.

⁸ Translated: Council for Financial Activities Control, i.e. Brazilian Financial Intelligence Unit

⁹ Brazilian state owned financial institution.



BANCO CENTRAL DO BRASIL

IV - travel agencies: purchases and sales of foreign currency in cash, checks and travelers checks related to international travels, observing the provisions of article 36 of this chapter;

Sole paragraph. Since the limit mentioned in item “a” of paragraph III is observed in each installment, one may contract foreign exchange operations referring to installments in disbursement schedule of transaction with total value that exceeds the limit mentioned above.

Article 35. To be authorized to operate in the foreign exchange market, the financial institution is required to indicate the director responsible for operations associated with the foreign exchange market and to present project, as prescribed by BCB, specifying at least the basic operational objectives and the actions taken in order to assure compliance with foreign exchange regulation and to prevent money laundering crimes as defined under Law no. 9,613, of March 03, 1998.

Article 36. The authorization to operate in the foreign exchange market granted to travel agencies and tourism lodging facilities which final owners have presented a specific authorization request to the BCB up to 30 November, 2009, duly supported by documents numbers 1 to 7 and 10 to 18 of Annex VII of Circular No. 3,179, of 26 February, 2003, aiming to establish and operate an institution of National Financial System capable to operate in the foreign exchange market is subject to the following provisions, without prejudice to later compliance with other instruction requirements for the conduct of proceedings, according to current regulation:

I - if the request is granted, the authorization to the travel agency or to tourism lodging facilities expires concurrently with the start date of the activities of the new authorized institution, respecting the deadline set in the business plan, and;

II - in case of filing or rejection of the application, the authorization granted to the travel agency or to tourism lodging facilities will lose validity thirty (30) days after the decision of the BCB.

Sole paragraph. Other authorizations granted to travel agencies and the tourist lodging facilities to operate in the foreign exchange market expired on 31 December 31, 2009

Article 37. Regarding authorizations to operate in the foreign exchange market, the BCB may, reasonably:

I - revoke or suspend them temporarily by reason of convenience and opportunity;

II - terminate them due to irregularities in the administrative process, or suspend them for precaution, as provided by law;

III - cancel them because of non-performance by an institution of a foreign exchange transaction for a period exceeding one hundred and eighty days.

Article 38. The financial institutions and other institutions authorized to operate by the BCB that are authorized to operate in the foreign exchange market can open a permanent or temporary office to undertake foreign exchange operations, after carrying out its registration in



BANCO CENTRAL DO BRASIL

the *Sistema de Informações sobre Entidades de Interesse do Banco Central (Unicad)*¹⁰ up to the day prior to start their operations. To the effects of the registration, a foreign exchange office is a place outside the institution dependencies in which it conducts foreign exchange operations.

Article 39. The institutions referred to in article 33, when authorized to operate in the foreign exchange market, may contract, in the ways foreseen in article 9 of Resolution 3,954, of February 24, 2011, companies, entrepreneurs, associations defined in Law no. 10,406, of January 01, 2002 (Civil Code), providers of notary and registration services dealt with in Law no. 8,935 of November 18, 1994, and public companies.

Paragraph 1. The contracting institution mentioned in the main section of this article must follow Resolution no. 3,954, of February 24, 2011, where applicable, and must have full and unrestricted access to the documentation related to the identification of customers and the operations conducted by the hired company.

Paragraph 2. The identification data of the contracted companies must be registered with Unicad prior to undertaking of the transactions foreseen in the main section of this article.

Paragraph 3. The travel agencies still authorized to operate in the foreign exchange market by the BCB that choose to perform its operations by means of the agreement referred to in the main section of this article must previously: sell the foreign exchange balance recorded in *Sisbacen* to a financial institution authorized to operate in the foreign exchange market, and request BCB to revoke its authorization.

TITLE III FOREIGN EXCHANGE OPERATIONS

CHAPTER I FOREIGN EXCHANGE CONTRACT

Article 40. A foreign exchange contract is a specific instrument executed by the seller and the buyer of foreign exchange, in which the characteristics and conditions of the foreign exchange operation are determined.

Article 41. Foreign exchange operations shall be formalized under the foreign exchange contract, according to model on Annex I of this Circular, and should be recorded in the *Sistema Câmbio*¹¹, as provided in chapter II of this title, and the recording date must be the same as the contract date.

Sole paragraph. The authorized institution can adjust the printing characteristics of the foreign exchange contract without previous consent by the BCB, observed the completeness of the required information.

Article 42. Regarding the signatures on a foreign exchange contract:

¹⁰ Translated: Information System of Entities Related to the BCB

¹¹ Translated: Foreign Exchange System.



BANCO CENTRAL DO BRASIL

I - the parties are allowed to use electronic signatures; (As amended by Circular No. 3,829 of 9 march, 2017)

II - in the case of handwritten signatures, these shall be written after the foreign exchange contract printing, at least on two original copies that shall be handed to the buyer and to the seller of the foreign currency.

Paragraph 1. For the purposes of Item I of the main section of this article, electronic signature means either of the following forms of unequivocal identification of the signatory:

I - digital certificates issued in the context of *Infraestrutura de Chaves Públicas (ICP - Brasil)*¹²; or

II – Other electronic means of proving authorship and integrity of electronic documents, including those that use certificates not issued by ICP-Brasil, provided that the parties have accepted such means as valid, in accordance with the legislation in force.

(Paragraph 1 included by Circular No. 3,829 of 9 march 2017)

Paragraph 2. When electronic signature is used, the institution authorized to operate in the foreign exchange market is exclusively responsible to ensure compliance with the legislation in force, guaranteeing the authenticity and integrity of the electronic document, as well as its electronic signatures, including the powers of other signatories.

(Paragraph 2 included by Circular No. 3,829 of 9 march, 2017)

Article 43 - In the case of electronic signatures on the foreign exchange contract, the institution authorized to operate in the foreign exchange market, trader of the foreign currency, shall: (As amended by Circular No. 3,829 of 9 march, 2017)

I - (Revoked by Circular No. 3,829 of 9 march, 2017)

II - be prepared to make promptly available to the BCB, for a term of five years from the closing of the fiscal year in which the contract has been executed, settled or written-off, as the case may be, a hardcopy of the foreign exchange contract, including the expression “electronically signed foreign exchange contract”;

III – keep for a term of five years the electronic file with the foreign exchange contract and the respective electronic signatures data, as well as proof that the electronic signature mechanism complies with those foreseen on § 1º of art. 42. (As amended by Circular No. 3,829 of 9 march, 2017)

Sole paragraph. In the case of foreign exchange contracts signed with digital certificates issued in the context of ICP – Brasil, it is allowed, up to December 31, 2017, the use

¹² Translated: Public Key Infrastructure. ICP-Brasil is a chain of trust in which the certificate authority is a Brazilian federal agency.



BANCO CENTRAL DO BRASIL

of the expression “digitally signed foreign exchange contract” in order to comply with item II; (Included by Circular No. 3,829 of 9 march, 2017)

Article 44. In the case of manual signature of the foreign exchange contract, the institution authorized to operate in the foreign exchange market shall keep one original copy of the foreign exchange contract, for a term of five years from the closing of fiscal year in which the contract has been executed, settled, cancelled or written-off, as the case may be.

Article 45. The settlement, cancellation and write-off of a foreign exchange contract do not eliminate any responsibility that may be assigned to the parties and to the intervening broker, under applicable legislation and regulation, arising from investigations that may be conducted by the BCB.

Article 46. The types of foreign exchange contracts and their respective applications are the following:

I - purchase: for the purchase of foreign currency by the institutions authorized to operate in the foreign exchange market;

II - sale: for the sale of foreign currency by the institutions authorized to operate in the foreign exchange market.

Article 47. Other clauses agreed by the parties shall be inserted in the foreign exchange contract and should only be informed to the BCB if requested.

CHAPTER II RECORD IN THE *SISTEMA CÂMBIO*¹³

Article 48. The financial institutions and other institutions authorized to operate by the BCB, authorized to operate in the foreign exchange market, shall observe the following timetable for using the *Sistema Câmbio*, Brasilia time (BRT):

I - standard timetable:

- a) record of events in the primary market with opening at 7 am and closing at 7 pm;
- b) queries with opening at 8 am and closing at 9 pm;
- c) services available in the *Sistema Câmbio* with opening at 7 am and closing at 9 pm;
- d) record of events in the interbank foreign exchange market, except for “cross currency”¹⁴ events, with opening at 7 am and closing at 5 pm;

¹³ Translated: Foreign Exchange System.

¹⁴ Please note that in this translation “cross currency” means a foreign exchange transaction in which two foreign currencies are traded without conversion to BRL.



BANCO CENTRAL DO BRASIL

- e) record of other events in the interbank foreign exchange market, including “cross currency” events, with opening at 7 am and closing at 7 pm;

II - timetable of exception: under exceptional conditions and upon notice to the market, the *Departamento de Monitoramento do Sistema Financeiro - Desig*¹⁵ may establish a timetable of exception for *Sistema Câmbio*.

III - when traded after the respective timetable closing, the foreign exchange operation date shall be recorded as the next business day.

Article 49. The information on foreign exchange transactions must be transmitted through messages, as per standard models published on the National Financial System Service Catalog, which contain instructions for message elaboration, formatting and data validation as well as message processing and validation flows.

Article 50. One may submit an automatic record for settlement event at *Sistema Câmbio* for purchases and sales of foreign currency contracted with customers, for immediate settlement, of any nature, not subject to registration in the BCB, with only one payer / receiver abroad and in this case changes or cancelations forbidden.

Article 51. Foreign exchange brokerage societies may, as intermediating agents in foreign exchange operations, edit the foreign exchange contract, its amendment and for later confirmation by the authorized institution.

Sole paragraph. The editing mentioned in the main section of this article can only be confirmed by the authorized bank on the same day.

Article 52. In special circumstances, the annulment of the record of the foreign exchange contract may occur, only to correct errors or to eliminate duplication, observed that:

I - if it occurs after the contracting date, the record annulled because of an error must be linked to the respective correct record and the record annulled because of duplication must be linked to the record which will be kept at the BCB database, which may determine its reversal in situations deemed inappropriate;

II - if it occurs at the same day of the contracting, the linking is optional.

Article 53. The cancellation of a foreign exchange contract comes into effect by the agreement of the parties under applicable legal and regulatory principles.

Article 54. Any mention or complementary information derived from specific rules shall be included in the field “Other Specifications” of the foreign exchange contract.

Article 55. The following must be recorded at *Sistema Câmbio* and are exempt from the formalization of the foreign exchange contract:

¹⁵ Translated: Department of Financial System Monitoring



BANCO CENTRAL DO BRASIL

I - “cross currency” foreign exchange operations conducted with a banker abroad or with the BCB;

II - foreign exchange operations in which a single bank is both buyer and seller of the foreign currency;

III - cancellations of foreign exchange contract balances not exceeding USD 5,000.00 (five thousand United States Dollars), or the equivalent amount in other currencies;

IV - interbank operations with financial institutions from abroad;

V - sales or purchases of foreign currency up to USD 10,000.00 (ten thousand United States dollars) or the equivalent amount in other currencies. (As amended by Circular No. 3,825 of January 26, 2017)

Sole paragraph. In foreign exchange operations with customers that do not have formalization of the foreign exchange contract, it is mandatory to deliver or to make available to the customer, immediately and at no cost, the voucher of each foreign exchange operation, which must contain at least the parties’ identification, the foreign currency, the nature code of the transaction, the foreign exchange rate, the amounts in foreign and domestic currency as well as the VET. (Included by Circular No. 3,825 of January 26, 2017)

Article 56. The data from the foreign exchange operations recorded in the *Sistema Câmbio* must match the account balances of the foreign exchange position of the financial institutions and other institutions authorized to operate by the BCB.

Article 57. The record of the foreign exchange transaction in a different date from the day of the actual transaction will only be allowed in situations ruled under the article 52, except for *Sistema Câmbio* contingency solutions or situations resulting from factors beyond the control of the institutions authorized to operate in the foreign exchange market.

Article 58. Institutions authorized to operate foreign exchange shall maintain an updated database of their foreign exchange operations available to the BCB, observed that this database replaces, for all purposes and effects, the document “*Registro Geral das Operações de Câmbio (RGO)*”¹⁶.

Article 59. Travel agencies authorized to operate in the foreign exchange market shall record each business day at *Sisbacen* - transaction PMTF, not later than 12 pm (BRT) the information related to its operations performed on the previous business day or, in case there were no operations, an express indication of such lack of events, at the same transaction, being understood that operations on Saturdays, Sundays, holidays and any day which is not a business day shall be incorporated to the following business day, observing that:

I - when linked to *Sisbacen*: enter the records directly to the *Sistema Câmbio*, including the indication that no operation has been conducted on the day;

¹⁶ Translated: General Record of Foreign Exchange Operation



BANCO CENTRAL DO BRASIL

II - when not linked to *Sisbacen*: enter the records through its centralizing institution, to which the necessary information shall be transmitted on a daily basis, including, as the case may be, the indication that no operation has been conducted in the day, observed that only one centralizing institution may be elected for each city where the authorized institution operates, even in case that there are several dependencies / foreign exchange units authorized for that institution.

Paragraph 1. The centralizing institution mentioned above is freely elected by the authorized institution, being mandatory that, in addition to being linked to *Sisbacen*, the institution is authorized to operate in the foreign exchange market.

Paragraph 2. Any change of centralizing institution shall be previously notified to the BCB (Desig).

Article 60. Messages from the BCB addressed to an agent authorized to operate in the foreign exchange market are transmitted either directly through *Sisbacen* or to the institution indicated by such agent as authorized to record its operations in the *Sistema Câmbio*, in case the agent is not linked to *Sisbacen*.

Article 61. An agent authorized to operate in the foreign exchange market that is not linked to *Sisbacen* and its centralizing institution are responsible for the data recorded in the *Sistema Câmbio*, and the centralizing institution is responsible for the faithful recording of the information transmitted to it.

Article 62. In addition to the specific information required by this Circular, the name of the sender or name of the receiver of the funds abroad, its country and its relationship with the customer of the foreign exchange transaction must be informed in the *Sistema Câmbio*.

Article 63. The contracting institution mentioned in art. 39 must transmit to BCB, via internet, by the 10th day of each month, the list of operations conducted by the hired company in the previous month, following instructions found on the site www.bcb.gov.br, menu *Câmbio e Capitais Internacionais / Sistemas*.

Paragraph 1. The institution authorized to operate in the foreign exchange market may use the same monthly transmission procedure regarding current transfer and international travel operations directly conducted with its clients.

Paragraph 2. In respect of the foreign exchange operations performed according to the mentioned procedure, either directly by the contracting institution or by the hired institution:

I - the operations are limited to USD 3,000.00 (three thousand United States dollars) or its equivalent in other currencies;

II - (Revoked by Circular No. 3,825 of January 26, 2017)

III - the foreign exchange position of the contracting institution is modified daily based on data inputs in the *Sistema Câmbio* of the consolidated amount of purchase and sale of foreign



BANCO CENTRAL DO BRASIL

currency operations (operations performed directly by the contracting institution and by the group of its hired companies) for each foreign currency, in which the contracting institution acts as both buyer and seller, with a specific operation nature code, given that settlement of these transactions occur in an immediate and automatic way.

Paragraph 3. In the case of monthly transmission procedure of data regarding transactions performed through banknotes dispensing machines, the transmission to BCB shall be done by the 10th day of each month, via internet (following instructions found at www.bcb.gov.br / menu *Câmbio e Capitais Internacionais / Sistemas*).

Article 64. The ECT must send to BCB, via internet, by the 10th day of each month, in a consolidated way, the list of postal orders paid and received in the previous month, according to instructions found on www.bcb.gov.br / menu *Câmbio e Capitais Internacionais / Sistemas*.

CHAPTER III ADVANCE ON FOREIGN EXCHANGE CONTRACT

Article 65. An advance on foreign exchange contract is a partial or total advance in domestic currency of the price of the foreign currency bought for future delivery, and may be granted at any time, at the discretion of the parties.

Article 66. A cancelation or write-off of foreign exchange contract with advance shall comply with the provisions of Chapter V of this title.

Article 67. In case of export, the value of the advance shall be included in the foreign exchange contract itself, by the following annotation: “For the legal purposes and effects of Article 75 (and respective paragraphs) of Law no. 4.728, of July 14, 1965, the advance of BRL _____ is added to this foreign exchange contract”.

Sole paragraph. The annotation mentioned in the **main section** of this article may be supplemented by the following expression: “Operation linked to the use of the credit obtained with (indicate the name of the banker abroad, country and city).”

Article 68. In case of bankruptcy, extra-judicial liquidation or intervention in the financial institution who has granted the advance on the foreign exchange contract, the following procedures related to the satisfaction of obligations consequent to the use of credits obtained abroad for the financing exports shall be observed:

I - payments shall be made based on funds received and that comes from export foreign exchange contracts in which advances were granted, proportionally to the total funds borrowed;

II - in case the foreign exchange contract contains an annotation as mentioned in article 67 above, the funds received from the exporter shall be used in the repayment of the respective loan made abroad, observed that, in case the exporter is in default, the payment to the banker shall be conducted as prescribed by item I above.



BANCO CENTRAL DO BRASIL

CHAPTER IV SETTLEMENT, CHANGES, CANCELLATION OR WRITE-OFF OF FOREIGN EXCHANGE CONTRACT

Article 69. The settlement of a foreign exchange contract occurs by delivery of both domestic and foreign currencies, the object of the contract, or securities representing such currencies.

Article 70. Foreign exchange operations contracted for immediate settlement shall be settled up to two working days, excluding non-working days in the markets of the currencies involved (non-working days in the market of a currency and/or the market of the other currency).

Sole paragraph. Immediate settlement is mandatory for purchase or sale of currency in cash, traveler's check or on charging or discharging pre-paid cards.

Article 71. The following foreign exchange operations may be contracted for future settlement, such settlement to occur within:

I - one thousand and five hundred days, for interbank and "cross currency" operations, as well as operations of financial nature which the client is the *Secretaria do Tesouro Nacional*¹⁷;

II - three hundred and sixty days, for foreign exchange operations relative to imports or with financial nature, subject or not to registration at the BCB.

Sole paragraph. The terms related to the settlement of the export foreign exchange contract are those established in Chapter 1 of Title IV.

Article 72. The minimum term for the settlement of the sale of foreign currency with the purpose of donations and values equal or greater than R\$ 100,000.00 (one hundred thousand BRL) is one working day.

Article 73. The settlement may occur earlier than the term originally agreed in the foreign exchange contract in purchase operations of financial nature and sale operations of financial nature related to obligations foreseen in Resolution no. 3,844, of March 23, 2010.

Article 74. Interbank foreign exchange operations may be contracted with settlement term up to 1,500 days.

Article 75. A foreign exchange contract may not be amended to change the following: buyer, seller, amount in foreign currency, amount in domestic currency, code of foreign currency and foreign exchange rate.

Article 76. It must be registered in the *Sistema Câmbio*¹⁸ as prescribed by Chapter II of this Title the changes related to the period of contract settlement, delivery method of foreign

¹⁷ Translated: National Treasury.

¹⁸ Translated: Foreign Exchange System.



BANCO CENTRAL DO BRASIL

currency, nature of transaction, percentage of advance payment and code of Electronic Declaratory Registration (RDE)

Sole paragraph. In respect to remaining changeable clauses agreed in a foreign exchange contract, the banks are allowed to accept a formal notice issued by their customers confirming the changes agreed, provided that such notice must be a part of the respective foreign exchange contract.

Article 77. Cancellation of a foreign exchange contract occurs by agreement among the parties and is formalized by a new contract in which the parties declare the undoing of the previous legal relationship, under applicable legal and regulatory principles.

Sole paragraph. In cases without agreement for the cancellation, banks authorized to operate in foreign exchange may write-off the foreign exchange contract from their foreign exchange position, under the regulatory requirements and procedures applicable to each type of operation.

Article 78. The write-off of a foreign exchange operation represents a bank accounting operation and does not imply unilateral termination of the contract nor change the contractual relation among the parties.

Paragraph 1. The amount in domestic currency in a foreign exchange contract write-off is calculated with the same foreign exchange rate applied to the contract that is being written-off.

Paragraph 2. The *Sistema Câmbio* does not allow the write-off of the contracts of simultaneous foreign exchange operations recorded with nature groups 46 or 47.

CHAPTER V FINANCIAL CHARGES

Article 79. Regarding the provisions of Article 12 of Law nº 7.738, of March 09, 1989, amended by Law nº 9.813, of August 23, 1999, the seller of the foreign currency must pay a financial charge when there is cancellation or write-off of a foreign exchange contract related to financial transfers from abroad or of an export foreign exchange contract previous to the shipment of goods or to the rendering of services abroad.

Paragraph 1. The financial charge mentioned above is calculated:

I - on the value of the domestic currency corresponding to the cancelled or written-off portion of the foreign exchange contract;

II - based on yield of the *Letra Financeira do Tesouro*¹⁹ - LFT for the period between the date of the contract and the date of the cancellation or write-off, minus the foreign exchange rate variation during the period and the amount in domestic currency equivalent to interest calculated

¹⁹ Translated: National Treasury Financing Bill



BANCO CENTRAL DO BRASIL

by the London Interbank Offered Rate (Libor) on the value of the foreign currency subject to cancellation or write-off.

Paragraph 2. The bank will be notified of the financial charge value by the *Sistema de Lançamentos do Banco Central*²⁰ (SLB) or any other safe way that assures receipt.

Article 80. The amount in domestic currency of the financial charge shall be paid by the bank purchasing the foreign currency under the following procedures:

I - the financial charge shall be paid within a period of five business days from the date in which the bank receives the respective notification;

II - the amount paid after the term mentioned in subparagraph I above shall be increased by late payment interest and fine, under the provisions of Article 37 of Law nº 10,522, of July 19, 2002.

III - the payment default of the financial charge implies recording the value in *Dívida Ativa*²¹ of BCB, and registering the debtor with the *Cadastro Informativo de Créditos não Quitados*²² (Cadin), under the applicable legislation and regulation in force.

Article 81. Expired the term mentioned in item I of Article 80 and remaining the financial charge unpaid as a result of a decree of bankruptcy against the seller of the foreign currency or intervention or extra-judicial liquidation of the bank buying the foreign currency, the following procedures apply:

I - in case of bankruptcy of the foreign currency seller, the bank purchasing the foreign currency shall:

- a) On the date of the foreign exchange contract cancellation or write-off, notify the liquidator, in the form of the Annex II to this Circular, of the existence of a financial charge, forwarding to the BCB (Desig) a copy of the notice with evidence that it has been delivered to the addressee;
- b) Upon receiving the financial charge payment, notify the BCB, not later than the following business day, for the purpose of financial charge payment under this section.

II - in cases of intervention or extra-judicial liquidation of the bank, the trustee or the liquidator shall:

- a) On the date of the foreign exchange contract cancellation or write-off, collect the charge with the seller of the foreign currency, according to Annex III of this Circular, forwarding to Desig a copy of the notice with evidence that it has been delivered to the addressee;

²⁰ Translated: Central Bank Entry System

²¹ Note: The BCB Debtor Database

²² Translated: Unpaid Credits Information File



BANCO CENTRAL DO BRASIL

- b) If the bankruptcy of the seller of the foreign currency is decreed, notify the existence of a debt related to the financial charge to the liquidator on the date of cancellation or write-off of the foreign exchange contract, according to Annex IV of this Circular, forwarding to Desig a copy of the notice with evidence that it has been delivered to the addressee;
- c) Upon receiving the financial charge payment, notify the BCB, not later than the following business day, for the purpose of the financial charge receipts as mentioned in this section, or for direct transfer of the value received to the BCB.

Sole paragraph. In cases mentioned in the main section of this article, the BCB, upon receiving the notice from the bank buyer of the foreign currency on the receipt of the financial charge value:

I - resubmit the notice through the SLB or through other means that assures the receipt, in this case, the collection of the financial charge may occur within one business day from the date of the notification;

II - waives the resubmission of the notice, in cases of direct transfer.

Article 82. Upon intervention or extra-judicial liquidation of the bank buyer of the foreign currency, in the absence of a bankruptcy decree for the seller of the foreign currency, late payment interests and fine are added, under Article 37 of Law n° 10,522, of July 19th, 2002, accruing from the date of the foreign exchange contract cancellation/write-off, as the case may be, recording the debt with BCB *Dívida Ativa* and the debtor with Cadin.

Article 83. Being impossible to pay the bank under intervention or extra-judicial liquidation, the debtor of the financial charge shall pay such charge directly to the BCB; in this case, the buyer of the foreign currency is released from paying financial charge.

Article 84. The amount in domestic currency of the financial charge above shall be calculated by the following formula:

$$EF = \left(\frac{(RLFT - VTC) \times VME \times TX1}{100} \right) - \left(\frac{VME \times J \times t \times TX2}{36.000} \right)$$

where:

I - EF = value of the financial charge in domestic currency;

II - RLFT = LFT yield from the foreign exchange contract date to the date of its cancellation or write-off;

III - VTC = variation in purchase foreign exchange rate for the currency transacted, from the foreign exchange contract date to the date of its cancellation or write-off;

IV - VME = value of cancellation or write-off in foreign currency;

V - TX1 = foreign exchange rate of the operation to be cancelled or written-off;



BANCO CENTRAL DO BRASIL

VI - J = monthly Libor, published by the BCB for the currency operation, on the day of the foreign exchange contracting, minus $\frac{1}{4}$ of 1% (one fourth of one percent);

VII - t = number of days elapsed from the date of the foreign exchange contracting and the date of its cancellation or write-off;

VIII - TX2 = purchase foreign exchange rate for the relevant foreign currency, available in Sisbacen through transaction PTAX800, option 5 - accounting rates, related to the day of cancellation or write-off.

Paragraph 1. LFT yield (RLFT) in the referred period shall be calculated based on information provided by Sisbacen transaction PTAX880, option 1, in the following way:

I - start-date: foreign exchange contract date;

II - end-date: last business day before the foreign exchange contract cancellation or write-off;

III - RLFT: aggregate index (last column of the line relative to the start date) multiplied by one hundred.

Paragraph 2. VTC, the variation in foreign exchange rate over the period, shall be calculated by the following operation:

$$VTC = \left(\frac{TX1}{TX2} \right) \times 100$$

where:

I - TX1 = foreign currency buying rate on the date of cancellation or write-off, available in Sisbacen through transaction PTAX800, option 5 - accounting rates;

II - TX2 = foreign currency buying rate on the operation contract date, available in Sisbacen through transaction PTAX800, option 5 - accounting rates.

Article 85. The financial charge does not apply to cancellation and write-off in value not exceeding US\$ 5,000.00 (five thousand United States dollars) or its equivalent in other currency, provided that, in aggregate, it does not exceed 10% (ten percent) of the foreign exchange contract value.

CHAPTER VI Foreign Exchange Position



BANCO CENTRAL DO BRASIL

Article 86. Foreign exchange position is represented by the balance of foreign exchange operations (purchase and sale of foreign currency, securities and documents that represent them, and gold - foreign exchange instrument), recorded in the *Sistema Câmbio*²³.

Paragraph 1. For all purposes and effects, the foreign exchange position is modified on the same date of foreign exchange contracting, except for forward interbank operations, in which the foreign exchange position is modified from the second business day before its settlement.

Paragraph 2. The equivalent value in US dollars is obtained by applying the parities available at Sisbacen (transaction PTAX800, option 5 - accounting rates) for the previous business day, considering that:

I - for type “A” currencies, the sale parity to be applied is: value in foreign currency/parity;

II - for type “B” currencies (identified by an asterisk on the system screen), the sale parity to be applied is: value in foreign currency x parity.

Article 87. Related to the limits of the foreign exchange position:

I - there is no limit for the purchased or sold foreign exchange positions held by banks or savings institutions authorized to operate in the exchange market;

II - there is no limit for the purchased foreign exchange position held by other institutions authorized to operate by the BCB, regarded their sold foreign exchange position is limited to zero.

Article 88. Travel agencies that still hold authorization to operate in the foreign exchange market have no foreign exchange position, but they must observe a daily operational limit of US\$ 200,000.00 (two hundred thousand US dollars) that represents the total amount in foreign currencies maintained by the travel agency in cash and in the free movement account kept at a bank authorized to operate in the foreign exchange market, as described in Title VII.

Sole paragraph. Authorized travel agencies are allowed to purchase foreign currency from national financial system institutions that are authorized to operate in the foreign exchange market for the supply of funds, regarded that:

I - the travel agency records its purchase with Sisbacen through a PMTF code transaction, thereby dismissing the need to fill a foreign exchange contract;

II - the national financial system institution authorized to operate in the foreign exchange market issues a foreign exchange contract and records the operation on the *Sistema Câmbio*.

Article 89. Any amount exceeding the limits established for travel agencies must be sold to a national financial system institution that is authorized to operate in the foreign exchange

²³ Translated: Foreign Exchange System.



BANCO CENTRAL DO BRASIL

market. The occurrence of an excess on the operational limits established for travel agencies implies:

I - at the first occurrence, a formal warning is issued for immediate regularization of the excess;

II - at a second occurrence within ninety days of the first one, the authorization to operate in the foreign exchange market is revoked.

Sole paragraph. A new occurrence that takes place after the ninety-day period from the first occurrence will imply a new warning and the authorization may be revoked if the situation is deemed as default.

TITLE IV OPERATIONS WITH CUSTOMERS

CHAPTER I OPERATIONS IN THE FOREIGN EXCHANGE MARKET REGARDING EXPORTS OF GOODS AND SERVICES

Art. 90. The exporter of goods and services is allowed to keep abroad the revenues obtained from its exports.

Art. 91. The inflow of export revenues may occur in BRL or in foreign currency, regardless the currency of the export documentation before or after the shipment of the goods or the rendering of services, and the foreign exchange contracts may be set for spot or future settlement, subject to regulations in force.

Art. 92. The export foreign exchange contracts are settled by delivery of the foreign currency or document that represents it to the bank with which they have been set.

Art. 93. The receipt of export revenues must occur:

I - through a credit of correspondent value to the exporter account maintained in a bank abroad;

II - by agreement of the parties, through credit to an account maintained abroad of a bank authorized to operate in the Brazilian foreign exchange market, in compliance with regulations in force; or

III - through international transfer in BRL, including BRL payment orders from abroad, in compliance with regulations in force.

Paragraph 1. The receipt of export revenues is also granted through credit card issued abroad, international postal order or other instrument, in the situations foreseen in this Circular.



BANCO CENTRAL DO BRASIL

Paragraph 2. In the case of delivery of foreign currency in cash or traveler checks to an institution authorized to operate in the foreign exchange market, when the value in foreign currency is equal or higher than R\$ 10,000.00 (ten thousand BRL), a copy of the respective declaration to the *Secretaria da Receita Federal do Brasil (RFB)*²⁴ must be presented to the institution, regarding that this presentation is waived only in the case of export foreign exchange linked to supply of products for use and consumption on board, as well to sales in internal market to residents, domiciled or headquartered abroad of precious and semi-precious stones, precious metals, its artworks and jewelry artifacts, provided that it is conducted in compliance to specific regulation of the *Ministério do Desenvolvimento, Indústria e Comércio Exterior (MDIC)*²⁵.

Article 94. Instructions for payment or for credit abroad to third parties are prohibited, for any export value, except in the following cases:

I - commission for the agent and portion of other nature owed to third parties, resident or domiciled abroad, as foreseen in the document that supports the shipping or service;

II - exports conducted by intermediaries abroad of individual value up to US\$10,000.00 (ten thousand United States dollars) or its equivalent in other currencies.

Article 95. The receipt of export proceeds can occur in any currency, including BRL, regardless of the currency set out in the document that supported the shipping or service.

Article 96. For the purposes and effects of the provisions of this chapter, the following definitions apply:

I - service exports: operations thus defined by the MDIC;

II - shipping date: the international bill of lading issue date or, when this date is not available, the date of the annotation of the customs clearance or, if the goods are admitted through a special customs regime, the date of the document equivalent to the international bill of lading.

Article 97. The regularization of export foreign exchange contracts occurs through prorogation, settlement, cancellation, or write-off, observing the deadlines and other conditions established in the regulations.

Article 98. Regarding export revenues, other than the exporter may enter into a foreign exchange contract or perform an international transfer in BRL in the following cases:

I - merger, demerger or absorption of companies and other cases of legal contractual succession;

II - a court decision;

²⁴ Translated: Department of Federal Revenue of Brazil.

²⁵ Translated: Ministry of Development, Industry and Foreign Trade



BANCO CENTRAL DO BRASIL

III - other situations in which there is documented evidence that the beneficiary of the resources is entitled to receive the export revenues, considering the lawfulness and economic grounds of the transaction;

Article 99. The foreign exchange contract, with spot or forward settlement, may be signed before or after shipping the goods or rendering the services, observed the maximum period of 750 (seven hundred and fifty) days between the foreign exchange signature and its settlement, as well as the following:

I - If the foreign exchange contract is signed prior to the shipping of goods or the services rendering, the maximum period between these events is 360 (three hundred and sixty) days;

II - the deadline for foreign exchange contract settlement is the last business day of the 12th month succeeding that of goods shipment or service rendering.

Sole paragraph. For export foreign exchange contracts, in case the exporter is subject to judicial recovery, bankruptcy filing, or other situation in which it is proven by documents that the exporter is unable to ship the goods or to render the service due to factors beyond her control, the shipping of the goods or service rendering can occur up until 1,500 (one thousand and five hundred days) of the foreign exchange contract signing, provided that the period between signing and settlement of the foreign exchange contract does not exceed 1,500 (one thousand and five hundred) days.

Article 100. Financial institutions and other institutions authorized to operate by the BCB, authorized to operate in the foreign exchange market, which have signed export foreign exchange contracts must transmit through electronic mechanism regulated by the BCB and for exclusive use of the RFB, by the 15th day of the subsequent month to the corresponding foreign exchange contracts settlements, the following data:

I - name and CNPJ of the seller of the foreign currency, if it is a legal person, or name and CPF, if it is an individual;

II - total amount of the settlements by foreign currency and by operation nature, consolidated in a monthly basis;

III - total amount of the equivalent value in BRL of the settlements referred to in item II above, consolidated in a monthly basis; and

IV - name and CNPJ of the institution authorized to operate in the foreign exchange market that has purchased the foreign currency.

Article 101. To obtain the Financial Operations Registry (ROF) for the early receiving of long term export proceeds, which is the receipt of export revenues more than 360 days prior to the date of the shipment of goods or of the services rendering, the inflow of such resources to Brazil is mandatory, subject to the procedures of the Circular 3,689, of 2013.



BANCO CENTRAL DO BRASIL

Article 102. The importer or any other foreign legal entity, including financial institutions, may grant cash to Brazilian exporters as early receiving of export proceeds.

Article 103. The interest charges concerning the cash in advance must be settled with the legitimate foreign creditor, which may occur upon shipment of goods or services rendering.

Article 104. With regard to the values brought into the country as early receiving of export proceeds, one of the following events must take place within 360 (three hundred and sixty) days:

I - shipping the goods or rendering the services;

II - conversion, by the exporter, through previous agreement with the payer abroad, in foreign direct investment or in cash loan, and registration with the BCB;

III - the return to aboard of values brought into the country.

Paragraph 1. The inflow mentioned in the main section of this article may occur through international transfer in BRL, included payment orders in BRL from abroad, or through a foreign exchange contract with spot or future settlement previous to the shipment of goods or service rendering.

Paragraph 2. The exporter that adopts the prerogatives described in items II and III must comply with tax regulations regarding funds not associated with exports, including presenting proof of payment of income tax on any interest sent abroad and relative to the resources brought into the country referring to goods that were not shipped or services that were not rendered.

Article 105. The agents' fee owed on exports may be paid in the following ways:

I - in a book account, observing that the value of the export foreign exchange contract does not include the agents' fee and observing that the commercial invoice and the draft comprehend the value of the agents' fee;

II - through deduction in a commercial invoice, observing that the value of the commercial invoice comprehends the value of the fee and observing that the value of the export foreign exchange contract and the draft do not include the value of the fee;

III - to be sent, observing that the value of the export foreign exchange contract, the commercial invoice and the draft comprehend the value of the fee, and observing that the payment of the fee takes place by the exporter's signing and settling a foreign exchange contract to perform a financial transfer to the beneficiary of the fee abroad.

Article 106. Observing the incidence of the financial charges established by Law n° 7,738, of March 9, 1989, the export foreign exchange contracts in which goods were not shipped or services not provided can be freely cancelled, through agreement between the parties, or written-off from the exchange positions of the financial institution authorized to operate in foreign exchange market.



BANCO CENTRAL DO BRASIL

Sole paragraph. If the goods have already been shipped or the services have already been provided, the cancellation or write-off of the respective export foreign exchange contract must be made until the last business day of the 12th month following the shipment of the goods or of the services rendering.

Article 107. The foreign exchange contract that was written-off must be reestablished and settled if the export proceeds are received.

CHAPTER II IMPORTS WITH PAYMENT SCHEDULE UP TO 360 DAYS

Article 108. The payment of Brazilian imports, in BRL or in foreign currency must be supported by documentation containing the payment schedule.

Paragraph 1. The legitimate foreign creditor is considered the one who has the prerogative to be the recipient of the resources, according to the relevant documentation, considering the aspects of lawfulness and economic grounds.

Paragraph 2. The payment in Brazil of Brazilian import in BRL must be made through international transfer in BRL to the credit of a current account belonging to the legitimate creditor denominated in BRL, opened and maintained in Brazil according to the terms of current legislation and regulation.

Article 109. The foreign exchange contract and the record of international transfer in BRL regarding imports can be done by persons others than the importer in case of:

I - merger, demerger or absorption of companies and other cases of legal contractual succession;

II - a court decision;

III - other situations in which there is documented evidence that the sender of the resources is entitled to make such payment, considering the lawfulness and economic grounds of the transaction.

Article 110. Imports registered for payment within 360 (three hundred and sixty) days may be paid in advance, subject to due compliance with the regulations defined by other entities.

Article 111. Imports may be paid in advance up to 180 (one hundred and eighty) days prior to date foreseen to:

I - the shipment, in case of merchandise imported definitively and directly from abroad, even under the drawback system, or when intended for admission to “*Zona Franca de Manaus*”²⁶, “*Área de Livre Comércio*”²⁷ or “*Entrepasto Industrial*”²⁸.

²⁶ Translated: Manaus Free Trade Zone.

²⁷ Translated: Free Trade Area.

²⁸ Translated: Industrial Warehouse.



BANCO CENTRAL DO BRASIL

II - the nationalization of merchandise permitted under another special or atypical customs system.

Sole paragraph. Exclusively for machines and equipment with long production cycles or which are manufactured on request, the period of anticipation must be compatible with the production or trading cycle of the good, prevailing the conditions agreed upon contract, such as down payment and intermediate installments, regarding that the maximum period of anticipation directly with the banking network for these imports is 1,080 (one thousand and eighty) days in relation to the dates indicated in items I and II above.

Article 112. If the shipment or nationalization of the merchandise does not occur up to the date informed at the time of settlement of the foreign exchange contract, the importer must, within 30 (thirty) days, repatriate the funds corresponding to the payments effected.

Article 113. Considering the conditions set down in the Framework Agreement signed by the Federative Republic of Brazil and by the Republic of Cuba on September 26, 2003, published in the “*Diario Oficial da União*”²⁹, as of November 20, 2003, referring to the Memorandum of Understanding of March 04, 1994, the summary of which was published in the “*Diario Oficial da União*” as of March 30, 1994, and observed the operational system negotiated for purposes of compliance with the provisions in the Framework Agreement and Memorandum cited above, exchange operations related to payment of imports of Cuban products and services in the area of health, such as vaccines, other medicines for human use, diagnostic material, medical equipment, the veterinary product “recombinant vaccine against ticks”, finished or semi-manufactured lobster fishing boats and other products or services that may be chosen on the basis of an agreement between the two countries for payment of debts indicated in the Framework Agreement, as well as those related to the payment of royalties on sales of pharmaceutical products, are subject to the following specific points without prejudice to compliance with all other rules applicable to such questions:

I - the value of the merchandise (without including the costs of freight and insurance) must be transferred abroad to Banco do Brasil S.A., according to specifications from that institution;

II - notification must be issued, two days prior to the date of settlement of the foreign exchange operation, to Banco do Brasil S.A., according to specifications from that institution.

Article 114. Imports payable with schedule longer than 360 (three hundred and sixty) days are subject to registration at the BCB, according to terms of specific regulations.

CHAPTER III ADDITIONAL PROVISIONS OF FINANCIAL TRANSFERS RELATED OR NOT TO COMMERCIAL TRANSACTIONS

Article 115. The payment abroad of expenses related to Brazilian exports can be made by a third party other than the exporter, provided that this third party is legally qualified as the debtor of the obligation abroad.

²⁹ Translated: Official Journal of the Union (Federative Republic of Brazil).



BANCO CENTRAL DO BRASIL

Article 116. In operations linked to commercial expenses of the same nature and to the same beneficiary/payer, the delivery of documents to the bank may, by consensus between the parties, be replaced by the delivery of a statement, informing the purpose, documents and values, signed by the customer negotiating foreign currency, who has the duty to keep the original documents for a five-year period, beginning on the year following the performance of the foreign exchange operation or the international transfer in BRL, to be presented to the intervening bank when requested.

Article 117. For goods sent from abroad, if the foreign exchange operations are conducted by an intermediary or representative, it is also necessary to observe that:

I - the intermediary or representative must hold power of attorney granted by each of his clients to carry out these foreign exchange operations;

II - a single foreign exchange operation may be done, provided that the institution authorized to operate in the foreign exchange market complies with art. 18 and keeps data about each acquisition abroad at the operation dossier, detailing the date, value currency, payment method used by the client, CPF or CNPJ of the client, name of the client, name of the seller abroad and its country. [\(Amended by Circular No. 3,813, of 23 November 2016\)](#)

Sole paragraph. The institution authorized to operate in the foreign exchange market must deliver to BCB, when requested, under the format and conditions prescribed by it, the information foreseen on item II above. [\(Included by Circular No. 3,813, of 23 November 2016\)](#)

Article 118. Premium and indemnity relative to an insurance or reinsurance contract in foreign currency, including export credit insurance, are paid by means of a bank transfer, in foreign currency, observing the following:

I - premium can be paid, using resources available abroad or by means of contracting and settling a foreign exchange operation, with delivery of the foreign currency to the account of the insurance company, the reinsurance company or the reinsurance broker, as appropriate;

II - indemnity is paid directly with resources from the accounts dealt with in chapter VIII of title VII by means of a domestic or international payment order to the beneficiary.

Article 119. In addition to the information established in foreign exchange regulation, the following natural and legal persons must provide to the BCB, in the form and conditions it has established, data and information related to the payments and receipts of their activities:

I - transporters, their agents or representatives, as well as other companies operating on international transport of passengers, baggage and cargo;

II - insurance companies, local reinsurance companies, admitted reinsurance companies and reinsurance brokers.



BANCO CENTRAL DO BRASIL

Article 120. The purpose of the transfer should be included in the field “*Outras Especificações*³⁰” of the foreign exchange contract when using the nature codes regarding other income or expenses of transportation,

Article 121. In the case of purchase of foreign currency by bank authorized to operate in the foreign exchange market or in the case of international transfer in BRL deriving from a payment made by someone resident, domiciled or headquartered abroad to someone resident, domiciled or headquartered in the country for the sale of products to be delivered on Brazilian territory in those situations that are not covered by article 6 of Law n° 9,826, of August 23, 1999, such operations must be classified under nature 72904 - *Capitais estrangeiros - Outros - Aquisição de mercadorias entregues no país*³¹, provided that if the products are not delivered within 360 (three hundred and sixty) days from the date of payment, the credit holder must:

I - convert it into foreign direct investment or in a cash loan duly registered with the BCB with prior approval of the payer abroad;

III - the return to aboard of values brought into the country.

II - return abroad the amounts brought into Brazil as foreign capital, observed the tax regulation regarding resources not destined to exports.

Article 122. For funds transfer from or to abroad relative to travel services, the travel agency or the service provider must keep in their possession a nominal list of travelers, indicating their CPF number, passport number and values charged by the beneficiary abroad for a five year term counted from the transfer.

Article 123. Revenues from receptive tourism abroad, obtained by travel agencies and other tourism service providers classified by the *Instituto Brasileiro de Turismo*³² (Embratur), must be negotiated with a financial institution or other institution authorized to operate by the BCB, authorized to operate in the foreign exchange market, up to five business days after being received, and sellers must keep a copy of the documentary evidence relative to the sale made in their own name.

CHAPTER IV

OPERATIONS REGARDING PERSONAL EXPENSES IN INTERNATIONAL TRAVEL

Article 124. In foreign currency purchase or sale operations from or to travelers, the customers' identification documents may be accepted as the documentary evidence, required by this regulation.

Article 125. Residents, domiciled or headquartered abroad, when leaving the national territory, may purchase foreign currency with Brazilian currency initially acquired and not used, regarding that for operations with value superior to R\$ 10,000.00 (ten thousand BRL) it is required the presentation of:

³⁰ Translated: Other Specifications

³¹ Translated: Foreign capitals - Other - Acquisition of merchandise delivered in the country

³² Translated: Brazilian Institute of Tourism



BANCO CENTRAL DO BRASIL

I - the declaration presented to RFB³³ upon entry in the country; or

II - proof of previous foreign exchange sale done by the customer to an institution authorized to operate in the foreign exchange market.

Article 126. Persons residing or domiciled abroad who are temporarily in Brazil and Brazilian citizens residing or domiciled abroad are allowed to receive foreign currency, in cash or traveler checks, regarding payment orders in their favor or arising from the use of international payment card. Such operations must be performed without the formalization of foreign exchange contract.

CHAPTER V INTERNATIONAL PAYMENT CARDS

Article 127. The use of international payment cards is allowed, in Brazil or abroad, for cash withdrawals and acquisition of goods and services, as well for payments and receipts to/from abroad for acquisition of goods and services through payment processing companies.

Article 128. Regarding the use of international payment card issued in Brazil, the issuer shall transmit to the BCB until the 10th day of each month, via internet (according to instructions on the site www.bcb.gov.br, download option, PSTAW10 application) or via Connect system, the data of the following operations of the previous month by cardholder: withdrawals and purchases of goods and services, CNPJ or the CPF of the cardholder, the owner of the payment scheme, and the amount per beneficiary.

Sole paragraph. In case of credit cards, the invoice must be issued in BRL, detailing the amount related to cash withdrawals and the amount referring acquisition of goods and services, informing the client:

I - in case of expenditure denominated in foreign currency, the currency identification, detail of each expenditure on that currency and its equivalent value in BRL. The card issuer must offer to its customers the system in which the invoice is paid for the equivalent value in BRL of the day of the invoice payment. An alternative system may be used, only if the consumer expresses interest, in which the equivalent value in BRL refers to the date of each expenditure.

II - in case of expenditure in BRL, each item should be discriminated. The indexation to a foreign currency is forbidden.

Article 129. Regarding the use of international payment card issued abroad:

I - can be accepted by companies licensed to accept such payment instrument by the relevant acquirer or owner of the payment scheme domiciled in Brazil;

II - can also be accepted by multiple banks with commercial or real estate credit portfolio, commercial banks and the *Caixa Econômica Federal* in the following situations:

³³ Abbreviation for “*Secretaria da Receita Federal do Brasil*”. Translated: Department of Federal Revenue of Brazil.



BANCO CENTRAL DO BRASIL

a) credit to the current account or savings deposits mentioned in Resolution no. 3,203, of June 17, 2004, by credit card;

b) pursuant to Resolution no. 3,213, of June 30, 2004, through credit card owned by an individual, credit to the current account or savings deposits held by an individual domiciled in Brazil, as well as to fulfill the payment order in BRL, transmitted through payment card and other instrument held by an individual in favor of natural person domiciled in Brazil.

III - the acquirer, the owner of the payment scheme or institutions referred to in item II, “b”, shall transmit to the BCB until the 10th day of each month, via internet (according to instructions on the site <http://www.bcb.gov.br>, download option, PSTAW10 application) or via the Connect system, the list of values regarding withdrawals and purchases of goods and services made in the previous month, grouped by the CNPJ or the CPF of the beneficiary, the owner of the payment scheme, the type of instrument, card number and country of issuance abroad.

Article 130. It is allowed the receipt from sale of goods and services abroad with use of international payments processing company domiciled in Brazil, observed that the company shall:

I - (Revoked by Circular No. 3,813, of 23 November 2016)

II - pay to the beneficiary of the resources only in BRL through credit to his deposit account or credit card.

Article 131. The bank that keeps the account in BRL owned by international payments processing company is responsible for identifying deals that are candidates for special attention according to the regulations on prevention and fight against activities related to the crimes defined in Law no. 9,613, of March 03, 1998.

Article 132. The acquisition of goods and services abroad through international payments processing companies is allowed only through the use of: (Amended by Circular No. 3,813, of 23 November 2016)

I - International or domestic payment card; or (Included by Circular No. 3,813, of 23 November 2016)

II - Bank transfer of funds from deposit account. (Included by Circular No. 3,813, of 23 November 2016)

Article 132-A. Operations in the foreign exchange market in order to meet the obligations of the international payments processing companies due to acquisitions of goods and services, regarding purchases or sales performed by their customers, shall be classified under nature “32205 - *Facilitadoras de pagamentos internacionais – Aquisição de bens e serviços*”³⁴, regarding that the institution authorized to operate in the foreign exchange market shall comply with the provision of art. 18 of this Circular and keep at the dossier of the operation information regarding the acquisitions, in Brazil or abroad, of goods and services, detailing:

³⁴ Translated: International payment processing companies – Acquisition of goods and services



BANCO CENTRAL DO BRASIL

I - the date, value and currency of each transaction;

II – about the customer of the international payment processing company in Brazil: the CPF or CNPJ, the name and, in the case of acquisition of good or service abroad, the payment method; and

III - about the buyer or seller abroad: the name and the country.

Sole paragraph. The institution authorized to operate in the foreign exchange market must deliver to BCB, when requested, under the format and conditions prescribed by it, the information foreseen on items I, II and III above.

(Article 132-A included by Circular No. 3,813, of 23 November 2016)

Article 132-B. It is forbidden to offset payments and receipts regarding the fulfillment of obligations arising from:

I - purchases or withdrawals carried out with international payment card.

II - acquisitions of goods and services carried out through international payment processing companies based in Brazil.

(Article 132-B included by Circular No. 3,813, of 23 November 2016)

Article 133. *(Revoked by Circular No. 3,813, of 23 November 2016)*

Article 134. The BCB shall inform the competent public authorities, as required by law, any evidence of irregularities or crimes of public action³⁵ that may be detected in operations addressed by this section.

CHAPTER VI

DOCUMENTATION, CUSTOMER'S RECORDS AND TRANSACTIONS COMPLIANCE

Article 135. Institutions authorized to operate in the foreign exchange market must develop mechanisms that enable the prevention of operations that configure an artifice to circumvent the tools for identifying, limiting values and registering customers, as established in appropriate regulation.

Article 136. Institutions authorized to operate in the foreign exchange market shall take all necessary procedures to avoid the reuse of documents that support their operations and the consequent duplicity of effects.

Article 137. Performance of operations in the foreign exchange market is subject to documentary evidence.

³⁵ Note: In Brazil, “crimes of public action” are those in which there is an offense to a significant social interest (such as felonies and public order crimes), their criminal complaints must be presented by a public prosecutor (member of the Public Ministry).



BANCO CENTRAL DO BRASIL

Sole paragraph. Without prejudice to the customer's identification, for operations of foreign currency purchase and sale up to US\$ 3,000.00 (three thousand United States dollars) or its equivalent amount in other currencies, it is not required to present documentary evidence of the underlying business transaction or to keep a copy of the customer's identification document.

Article 138. With the exception of specific provisions stated in legislation in force, the institution authorized to operate in the foreign exchange market must keep the documents linked to operations in the foreign exchange market, in physical or electronic files, for five years from the end of the financial year when the contracting occurred or, if applicable, when the settlement, cancellation or write-off took place, regarding that when required these documents must be made available immediately and at no cost to BCB:

I - (Revoked by Circular No. 3,829 of 9 march 2017)

II - (Revoked by Circular No. 3,829 of 9 march 2017)

Article 139. The institutions authorized to operate in the foreign exchange market must ensure that their customers are qualified by, among other measures considered appropriate, identifying them, assessing their performance, trade procedures and financial capacity, as well as organize and keep updated:

I - reference files in the form and for the period established by the regulation on the procedures required for prevention and fight against activities related to the crimes defined in Law no. 9,613, of March 3, 1998, also required for the activity of brokerage of foreign exchange operation;

II - documentary evidence in physical or electronic files, while in the latter the BCB will be given access to immediately check such files at no cost.

Sole paragraph. (Revoked by Circular No. 3,829 of 9 march 2017)

Article 140. When requested by the BCB, an institution authorized to operate in the foreign exchange market must make the documentation relative to the operations in the foreign exchange market available by 10:00 am of the day indicated in the request. The presentation of additional documents may be requested, if deemed necessary, when analyzing each specific case.

Article 141. The following occurrences related to operations in the foreign exchange market are subject to penalties:

I - recording incorrect, incomplete or untimely information with the *Sistema Câmbio*³⁶;

II - failing to keep the documentary evidence that support an operation in its files;

III - failing to settle a foreign exchange operation in the forms established in relevant regulation;

³⁶ Translated: Foreign Exchange System.



BANCO CENTRAL DO BRASIL

IV - failing to link the foreign exchange operations to electronic records or documents when it is required by regulation.

Article 142. The settlement of operations in the foreign exchange market for an improper value or without the proper documentary evidence may lead to repatriation of the unduly transferred amount of foreign currency.

Article 143. The imposition of a fine or repatriation of the funds determined by the BCB do not elide responsibilities that may be brought on the parties and on the broker that has perhaps intervened in the operation, according to the terms of the legislation and regulation in force, in views of any verifications that may be carried out at any time.

TITLE V

TRANSACTIONS BETWEEN AUTHORIZED INSTITUTIONS AND FINANCIAL INSTITUTIONS ABROAD

CHAPTER I

TRANSACTIONS AMONG INSTITUTIONS AUTHORIZED TO OPERATE IN THE FOREIGN EXCHANGE MARKET

Article 144. While in compliance with the prudential regulation and regulation related to foreign exchange position, the operations mentioned in this chapter may be conducted with no regard to operations with customers or the foreign exchange position at the opening of the business day.

Article 145. Operations performed among institutions authorized to operate in the foreign exchange market are considered as operations performed in the interbank market, as foreseen in this Circular.

Paragraph 1. Operations in the interbank market may be contracted for spot, future or forward settlement and such operations may not be cancelled, written-off, extended or settled in advance.

Paragraph 2. The interbank forward foreign exchange operations have the following features:

I - the foreign exchange rate is freely agreed among the parties and shall reflect the price of the foreign currency on the date of the settlement of the foreign exchange operation.

II - they have a specific nature code;

III - they are contracted for settlement in a future date, with effective and concurrent delivery of the currencies, domestic and foreign, on the settlement date.

IV - currency advances are not allowed.



BANCO CENTRAL DO BRASIL

Article 146. “Cross currency”³⁷ purchase and sale are recorded by attributing, to both purchased and sold currencies, the same value in BRL.

Article 147. Operations in the interbank market are conducted with or without intermediation by a clearing house or a clearing and settlement service provider whose foreign exchange transactions settlement system has been authorized by the BCB.

Sole paragraph. Transactions with clearing house or with clearing and settlement services provider arising from default by a participant in the original trade must be classified under the nature “67926 - *Operações Vinculadas a Operações Interbancárias*”³⁸.

Article 148. The following represents a firm and irrevocable commitment between the parties, replacing, for all legal purposes, the form referred to in paragraph 2 of article 23 of Law 4,131, of September 1962:

I - in case of transactions conducted in Brazil without the intermediation by a clearing house or a clearing and settlement service provider: the confirmation, by the institution selling the foreign currency, of the operations’ data recorded in the *Sistema Câmbio*³⁹ by the institution buying the foreign currency;

II - in case of transaction conducted via clearing house or clearing and settlement service provider:

a) the confirmation in the *Sistema Câmbio* by such clearing house or clearing and settlement service provider, of the data recorded by the institution buying the foreign currency and confirmed by the institution selling the foreign currency, when it is not carried out through negotiation system without counterparty identification (blind screen);

b) the identity verification, in the *Sistema Câmbio*, of the keys contained in the messages sent by the clearing house or the clearing and settlement service provider, when it is carried out through negotiation system without counterparty identification (blind screen).

III - in case of “cross currency” trade in Brazil, the confirmation, by the counterparty, of the data recorded in the *Sistema Câmbio* by the other party of the operation;

IV - in case of a transaction performed with institution abroad, the record, by the institution in the country, of the data in the *Sistema Câmbio*.

V - in the case of transaction performed with the BCB, the record will be done automatically in the *Sistema Câmbio*, without counterparty confirmation.

Article 149. In case of a transaction conducted without intermediation by a clearing house or a clearing and settlement service provider, the confirmation of the transaction in the *Sistema Câmbio* by the institution selling the foreign currency implies the conclusion of two foreign

³⁷ Please note that in this translation “cross currency” means a foreign exchange transaction in which two foreign currencies are traded without conversion to BRL.

³⁸ Translated: “67926 - Obligations linked to Interbank Operations”

³⁹ Translated: Foreign Exchange System.



BANCO CENTRAL DO BRASIL

exchange contracts, where the contracting parties are the institution buying and the institution selling foreign currency.

Article 150. In case of a transaction via clearing house or clearing and settlement service provider, the confirmation or verification of identity in the *Sistema Câmbio*, addressed in item II of article 148, implies the conclusion of four foreign exchange contracts as follows:

I - a pair of foreign exchange contracts in which the contracting parties are the institution buying the foreign currency and the clearing house or clearing and settlement service provider;

II - a pair of foreign exchange contracts in which the contracting parties are the institution selling the foreign currency and the clearing house or clearing and settlement service provider;

Article 151. The foreign exchange contracts referred to in this section are recorded in the *Sistema Câmbio* for settlement on an agreed day and are not subject to cancellation, write-off, extension or advance on the agreed term.

Article 152. In case of foreign exchange operation conducted without intermediation by a clearing house or clearing and settlement service provider:

I - the institution buying the foreign currency shall record the transaction data in the *Sistema Câmbio* within thirty minutes after the setting of the conditions with the institution selling the foreign currency;

II - the institution selling the foreign currency shall confirm in the *Sistema Câmbio* the data and elements of the transaction within thirty minutes from the record made by the institution buying the foreign currency;

III - two exchange contracts are recorded as foreseen in article 149 of this section, which are not settled automatically by the *Sistema Câmbio*;

IV - the institutions buying and selling foreign currency shall record the settlement of the transactions in the *Sistema Câmbio*;

V - the operation recorded by the buying institution and not confirmed by the selling institution within the time specified in item II is blocked by the system, and the reactivation of the record in the *Sistema Câmbio* shall be done by the institution buying foreign currency;

VI - in case of operation with the BCB, the information about the record is provided by the *Sistema Câmbio* to the institution counterparty.

Article 153. In case of foreign exchange transaction conducted with intermediation provided by a clearing house or a clearing and settlement service provider, but not carried out through a negotiation system without the counterparty's identification (blind screen):

I - the institution buying the foreign currency shall record the transaction data in the *Sistema Câmbio* within thirty minutes after the setting of the conditions with the institution selling the foreign currency;



BANCO CENTRAL DO BRASIL

II - the institution selling the foreign currency shall confirm the data and elements of the transaction within the thirty minutes from the record made by the institution buying the foreign currency and, in cases when the such confirmation is due after the closing time of the interbank market, fifteen additional minutes for such action shall be observed, subject to the maximum period of thirty minutes;

III - the clearing house or clearing and settlement service provider shall confirm the data and elements of the transaction within thirty minutes from the confirmation made by the institution selling the foreign currency and, in cases that such confirmation is due after closing time of the interbank market, an additional period of thirty minutes shall be observed for such action, subject to the maximum period of thirty minutes;

IV - four foreign exchange contracts are recorded in the *Sistema Câmbio* in accordance with Article 150 of this section, and the event of settlement of each foreign exchange contract is performed automatically by the *Sistema Câmbio*;

V - the operation recorded by the institution buying the foreign currency and not confirmed by the institution selling the foreign currency, within the period specified in item II, is blocked by the system, and the reactivation of the record in the *Sistema Câmbio* shall be done by the institution buying the foreign currency;

VI - the operation confirmed by the institution selling the foreign currency and not confirmed by the clearing house or clearing and settlement service provider within the period specified in item III, is blocked by the system and the reactivation of the record in the *Sistema Câmbio* shall be done by the institution buying the foreign currency and respective confirmations shall be provided by the selling institution and by the clearing house or clearing and settlement service provider.

Article 154. In case of foreign exchange operation conducted with intermediation provided by a clearing house or a clearing and settlement service provider, and carried out through a negotiation system without of the counterparty identification (blind screen):

I - the clearing house or clearing and settlement service provider, immediately after the institutions buying and selling the foreign currency close the transaction in the negotiation system, records the operation data in *Sistema Câmbio* and informs the buyer and the seller;

II - buying and selling institutions, after receiving information from the clearing house or clearing and settlement service provider, confirm the operation within thirty minutes in the *Sistema Câmbio*, subject to the time limit of thirty minutes after the closing time of the interbank market;

III - the four foreign exchange contracts are recorded in accordance with article 150, during the identity verification referred to in item II of article 148 of this section, and the event of settlement of each contract is performed automatically by the *Sistema Câmbio*;

IV - non-compliance of item II implies in the purge of those transactions from the *Sistema Câmbio*, which will be considered nonexistent.



BANCO CENTRAL DO BRASIL

Article 155. The nature codes of transactions intermediated by clearing house or clearing and settlement service provider are assigned automatically by the *Sistema Câmbio*.

Article 156. During the recording of foreign exchange interbank transactions, except for “cross currency” transactions, it must be informed if there is purpose to do:

I - financial turnover; and

II - transfer of line.

Sole paragraph. For purposes of the main section of this article, it is considered as:

I - operations with purpose to do financial turnover - those contracted by banks operating in intermediate and final position in a chain of transactions, whose outcome corresponds to a transaction between two banks that could not occur due to their reciprocal operational limits or other deterrent factors;

II - operations with purpose to do transfer of line - those in which a bank delivers foreign currency to another through a sale of foreign currency for settlement at a given date and, simultaneously, contracts the receiving of this same foreign currency through a foreign exchange purchase for settlement at the day after the settlement date of the sale transaction.

Article 157. Delivery of domestic currency related to foreign exchange contracts dealt with in this section is carried out through the appropriate command in the *Sistema de Transferências de Reservas*⁴⁰ - STR.

Article 158. Any institution contributing to inefficiency or hindering the regular operation of the interbank market is subject to applicable legal and regulatory sanctions, including the impediment to operate in that market.

Article 159. In case of “cross currency” operation in Brazil, the confirmation by the counterparty institution in the *Sistema Câmbio* implies the conclusion of two pairs of foreign exchange contracts, where the contracting parties are the institutions buying and selling foreign currencies, with each pair of contracts related to each currency traded, observing that:

I - an institution part of the transaction shall record the transaction data in *Sistema Câmbio* within thirty minutes after the setting of the conditions with the institution counterparty of the transaction;

II - the counterparty institution confirms the data and elements of the transaction in the *Sistema Câmbio* within thirty minutes from the record made by the other institution part of the operation;

III - four foreign exchange contracts are recorded in the *Sistema Câmbio* as prescribed by the main section of this article, which are not settled automatically by the *Sistema Câmbio*;

⁴⁰The Real-Time Gross Settlement payment system managed by BCB.



BANCO CENTRAL DO BRASIL

IV - the parties of the operation shall settle the transactions in *Sistema Câmbio*;

V - the transaction recorded by the institution and not confirmed by the counterpart institution within the time specified in item II is blocked by the system; the reactivation of the record in the *Sistema Câmbio* shall be done by the institution that started the operation.

Article 160. The record of the interbank operation of purchase and of sale of foreign currency in the *Sistema Câmbio* is made under unique identifier.

CHAPTER II TRANSACTIONS WITH FINANCIAL INSTITUTIONS ABROAD

Article 161. Financial institutions and other institutions authorized to operate by the BCB, authorized to operate in the foreign exchange market, may conduct operations with financial institutions abroad, provided that the financial relation with the institution abroad is made exclusively through a bank authorized to operate in the foreign exchange market.

Article 162. Purchase and sale of foreign currency by “cross currency” operation shall be recorded in the *Sistema Câmbio*⁴¹ attributing to the purchased and sold foreign currencies the same value in domestic currency.

Article 163. The parties to a foreign exchange operation must be identified, including the country and city of the partner of the transaction.

Article 164. The provisions about the use of BRL deposit accounts owned by financial institutions, domiciled or headquartered abroad, to perform international transfers in BRL on behalf of third parties are contained in Title VI of this Circular.

Article 165. The banks authorized to operate in the foreign exchange market, except the development banks, as well as the *Caixa Econômica Federal*, can conduct operations of purchase and sale of foreign currency with foreign banks against BRL banknotes to be received from or sent abroad, in compliance with the regulation in force, observed that:

I - the foreign exchange operations mentioned in this article have specific nature code and shall be made in one sole branch of the institution authorized to operate in the foreign exchange market, previously reported to BCB in the *Sistema Câmbio* by the director responsible for foreign exchange market operations;

II - one copy of the declaration of entrance or declaration of exit of the resources in Brazil, issued in the form of the regulation in force, must be in the dossier of the respective foreign exchange operation;

III - the foreign bank must obtain the CNPJ with the *Secretaria da Receita Federal do Brasil* (RFB)⁴² before contracting the operation;

⁴¹ Translated: Foreign Exchange System.

⁴² Translated: Department of Federal Revenue of Brazil.



BANCO CENTRAL DO BRASIL

IV – all banknotes sent abroad must be new, observed that the banking institution responsible for the operation must keep record and control its serial numbers, while the *Departamento do Meio Circulante*⁴³ (Mecir) of BCB does not issue specific rule.

Article 166. To perform operations dealt with by this section the financial institutions and the other institutions authorized to operate by the BCB, authorized to operate in the foreign exchange market, must take steps to know the procedures of prevention to money laundering adopted by the bank abroad, as operation counterpart, in order to comply with the recommendations of the Financial Action Task Force (FATF) and certify that this is not an institution that:

I – it is not physically present in the country where it is constituted and licensed to operate; and

II - it is not affiliated to any financial services group that is subject to effective supervision.

CHAPTER III TRANSACTIONS WITH GOLD

Article 167. The provisions of this chapter are restricted to gold classified as a foreign exchange instrument by the National Financial System institutions authorized to operate on the foreign exchange market.

Paragraph 1. The gold as a foreign exchange instrument is that stated in the foreign exchange position of the institutions mentioned in the main section of this article and derives from the following operations:

I - purchases of gold as a financial asset from the institution itself;

II - purchases or sales of gold from or to the BCB for this purpose;

III - purchases or sales of gold as a foreign exchange instrument among the institutions stated in main section of this article; or

IV - “cross currency” trades with another National Financial System institution or with an institution abroad, according to the terms of the foreign exchange regulation.

Paragraph 2. Once it has been incorporated into the foreign exchange position of the institution, the gold may only be negotiated with another institution member of the National Financial System authorized to operate in the foreign exchange market, with a foreign institution or with the BCB, under the same conditions set down for the negotiation of foreign currency.

⁴³ Translated: Currency Management Department.



BANCO CENTRAL DO BRASIL

Paragraph 3. The operations dealt with in this chapter must be recorded at *Sistema Câmbio*⁴⁴ using the gram as the basic unit and classified as currency XAU and under the appropriate nature as described in Circular 3.690 of December 16, 2013.

Paragraph 4. Regulatory provisions relating to transactions with gold as a foreign exchange instrument are the same as those that apply to the operations of purchase and sale of foreign currency, including composition and foreign exchange position limits and the possibility of “cross currency” operations.

TITLE VI

ACCOUNTS HELD BY PERSONS⁴⁵ DOMICILED ABROAD AND INTERNATIONAL TRANSFERS IN BRAZILIAN REAL

CHAPTER I

GENERAL PROVISIONS

Article 168. Natural and legal persons who are resident, domiciled or headquartered abroad may hold deposit accounts in Brazilian real (BRL)⁴⁶ in the country, exclusively in branches which operate in foreign exchange belonging to bank institutions⁴⁷ authorized to operate in the foreign exchange market, duly complying with the provisions set down in this title.

Paragraph 1 The accounts of those residents, domiciled or headquartered abroad must contain characteristics that differentiate them from other deposit accounts, in such a way as to make it possible to identify them immediately.

Paragraph 2 It is mandatory the registration of deposit accounts in national currency in the country in the Central Bank Information System (Sisbacen) in the name of natural or legal persons who are resident, domiciled or headquartered abroad, and such registration should be effected by the depositary bank. (As amended by Circular n° 3,750, dated March 11, 2015)

Paragraph 3 The registration referred to in the previous paragraph must be effected simultaneously with opening of the account.

Paragraph 4 For transfers based on foreign capital registered with the BCB, the number of the respective registry must be entered in the field “*Outras Especificações*”⁴⁸ on the message. (As amended by Circular n° 3,750, dated March 11, 2015)

Article 169. Regarding the National Accounting Rules of Financial Institutions (COSIF):

⁴⁴ Translated: Foreign Exchange System.

⁴⁵ Please note that in this document the expression “persons” refers to natural and legal persons.

⁴⁶ Brazilian currency.

⁴⁷ Please note that **in this document bank institution refers to commercial banks or universal banks holding a commercial bank portfolio.**

⁴⁸ Translated: “Other specifications”.



BANCO CENTRAL DO BRASIL

I - under the subtitle "4.1.1.60.10-5 - *Provenientes de Vendas de Câmbio*"⁴⁹, the credits may result exclusively from the effective inflow of foreign currency to Brazil through settlement of exchange operations, in which case the number of the corresponding exchange operation must be stated in the information regarding the accounting operation.

II - possible new deposits of resources in BRL originally generated by withdrawals or transfers effected as debits to the cited subtitle must be recorded as credits under the subtitle "4.1.1.60.20-8 - *De Outras Origens*"⁵⁰.

III - the subtitle "4.1.1.60.30-1 - *De Instituições Financeiras*"⁵¹ is restricted to the accounting records of accounts owned by banks abroad that maintain a steady, expressive and reciprocal correspondent relation with the Brazilian depository bank of the resources, or when the institutions have an unmistakable relationship among themselves as a consequence of capital control, which includes controlled or controlling institutions.

Sole paragraph. Provisions of the previous item III also encompass Brazilian bank branches located abroad and the branches of foreign banks authorized to operate in the country.

Article 170. The financial institutions, on their cross-border relations with correspondent banks and the other similar relations, must:

I - obtain sufficient information about the correspondent institution as to fully understand the nature of its activity and to know, based on publicly available information, the reputation of the institution and the quality of its supervision, including whether the institution has been the target of investigation or of any action by a supervisory authority, related to money laundering or terrorism financing and ensure that it's not an institution which:

a) does not have physical presence in the country where it is incorporated and licensed, and

b) is not affiliated to any financial services group subject of effective supervision.

II - assess controls adopted by the correspondent institution targeting money laundering combat and terrorism financing;

III - obtain approval from the director responsible for the operations related to the foreign exchange market before establishing new correspondent relations;

IV - document the respective responsibilities of each correspondent institution in respect to combating the money laundering and the financing of terrorism.

Article 171. Financial institutions that do not fit the criteria defined in articles 169 and 170, may only hold accounts with the subtitles "*Provenientes de Vendas de Câmbio*" or "*De Outras Origens*"⁵².

⁴⁹ Translated: "Originated by Foreign Exchange Sales".

⁵⁰ Translated: "From Other Origins".

⁵¹ Translated: "From Financial Institutions".

⁵² As translated above.



BANCO CENTRAL DO BRASIL

Article 172. The same criteria, provisions and requirements established for foreign exchange operations in general and the guidelines specifically set out in this chapter must be observed in international transfers in BRL⁵³, as long as they are applicable.

Article 173. International transfers in BRL from and to abroad in amounts equivalent to or greater than R\$ 10,000.00 (ten thousand BRL) are subject to documentary corroboration to be provided to the bank in which the account held by the person domiciled abroad is located.

Article 174. With regard to the documents used in support of international transfers in BRL, depository banks must adopt all of the necessary procedures required to avoid their reutilization and consequent duplicity of effects, both for new transfers in national currency as well as for access to the foreign exchange market, and must require presentation of evidence of payment-in-full of the taxes levied on the operation.

Article 175. The balances of the accounts of natural or legal persons who are resident, domiciled or headquartered abroad may be freely converted into foreign currency for purposes of remittance abroad, independently of the subtitle, while it is denied the utilization of such balances for purposes of conversion of third party's resources into foreign currency.

Article 176. Foreign exchange operations related to inflows and return abroad of resources recorded at the accounts dealt with in this Title must be classified as follows:

I - should the remitting party or the beneficiary abroad not be the holder of the account: under the specific nature code corresponding to the type of operation negotiated;

II - should the remitting party or the beneficiary abroad be the holder of the account: under nature code "72502 - *Capitais Estrangeiros - Depósitos e disponibilidades - Disponibilidades no País*"⁵⁴.

Article 177. The accounts held by persons domiciled or headquartered abroad may not be used for third party interested international transfer in BRL.

Paragraph 1 An exception to the prior provisions is the use of accounts held by foreign financial institutions, according to art. 169, sole paragraph, and art. 170, for the conduction of international transfers in BRL on behalf of third parties, using group-specific code, when aimed to the fulfillment of the payment order in BRL coming from abroad by an authorized institution to operate in the foreign exchange market, with group code "60 - *Ordens de pagamento em reais - Terceiros*"⁵⁵, observing that in such situations the depository bank:

I - must inform, through the transmission of monthly file to the BCB, payment orders in amounts of less than R\$10,000.00 (ten thousand BRL);

⁵³ An international transfer in BRL is a transfer of cash from a deposit account held by natural or legal person who is resident, domiciled or headquartered in Brazil to a deposit account held by natural or legal person who is resident, domiciled or headquartered abroad or vice versa.

⁵⁴ Translation: "Foreign Capital - **Deposit and** Available balances - Available balances in the Country".

⁵⁵ Translation: "payment orders in real - Third Parties".



BANCO CENTRAL DO BRASIL

II - can inform, through the transmission of monthly file to the BCB, payment orders equal to or greater than R\$10,000.00 (ten thousand BRL) and less than US\$100,000.00 (one hundred thousand dollars).

Paragraph 2 The file specified on items I and II of paragraph 1, above, containing the data about transfers performed during the month immediately before, must be sent until the 5th day of each month, as instructed at “www.bcb.gov.br / menu câmbio e capitais estrangeiros / Sistemas / Transferências de arquivos”.

CHAPTER II

TRANSACTIONS

Article 178. Definitions for the purposes and effects of this Title:

I - inflows: debits effected by the depositary bank in accounts held by natural or legal persons who are resident, domiciled or headquartered abroad, are characterized as inflows of funds to Brazil, except in cases involving direct operations between two of these accounts;

II - outflows: credits effected by the depositary bank in accounts held by natural or legal persons who are resident, domiciled or headquartered abroad are characterized as outflows of funds from Brazil, except when the funds credited are results from sales of foreign currency or deposits in another account of the same type.

Article 179. The depositary bank shall record on Sisbacen, within two business days after the transfers were made, the data related to all international transfers in BRL in amounts equal to or greater than R\$ 10,000.00 (ten thousand BRL), as well as those which, regardless of value, are subject to foreign capital registration. (As amended by Circular n° 3,750, dated [March 11, 2015](#))

Paragraph 1 The abovementioned records also include:

I - debits and credits to carry out the settlement of exchange operations in amounts equal to or greater than R\$10,000.00 (ten thousand BRL), classified under nature code "72502";

II - direct transfers of funds between the accounts of persons resident, domiciled or headquartered abroad (nature code 72605) in amounts equal to or greater than R\$10,000.00 (ten thousand BRL), even though these are not characterized as international transfers in BRL;

III - transactions to carry out foreign exchange operations not classified as balances in Brazil.

Paragraph 2 Information related to international transfers in BRL, specifically those which are not subject to foreign capital registration and amount values equal to or exceeding R\$ 10,000.00 (ten thousand BRL) and less than R\$ 100,000.00 (one hundred thousand BRL), may be sent to the BCB until the 5th day of each month through file containing the data about



BANCO CENTRAL DO BRASIL

transfers performed during the month immediately before, as instructed at [www.bcb.gov.br / menu Câmbio e Capitais Internacionais / Sistemas / Transferências de arquivos](http://www.bcb.gov.br/menu/Câmbio_e_Capitais_Internacionais/Sistemas/Transferências_de_arquivos).

Article 179-A. Information, including customer master record, referring to international transfers in BRL must be transmitted through messages, as per standard models published on the National Financial System Service Catalog, which contain instructions for message elaboration, formatting and data validation as well as message processing and validation flows. (As amended by Circular nº 3,750, dated March 11, 2015)

Article 180. Operations for purposes of credit to the accounts treated in this Title must be performed through:

I - debit to account maintained by the payee in the same depositary bank;

II - reception of a nominal check issued by the payee, crossed, to the depositary bank or to the account holder, with the destination of the resources and nature code of the transferor being specified on the back of that instrument; or

III - Electronic Funds Transfer (*Transferência Eletrônica Disponível* - TED) issued by another financial institution in its name, exclusively on operations of its own interest, or in the name of the payee, regarding that, in any case, the transfer nature code must be informed in the box *histórico*⁵⁶.

Article 181. Debits to the accounts dealt with in this Title must be made exclusively for purposes of credit to the account held by the beneficiary in the country, through:

I - TED, Credit Transfer Document (*Documento de Crédito* - DOC) or any fund transfer order issued by the depositary bank in the name of the holder of the account, with the nature code of the transfer being stated in the space *histórico* in the case of the TED; or

II - cashier's check or a nominal, crossed check issued by the holder of the account, in the case of demand deposits, on which the destination of the resources and the nature code of the transfer are specified on the back of the instrument.

Article 182. Movement of amounts of less than R\$ 10,000.00 (BRL ten thousand) may be made through utilization of any payment instrument utilized on financial markets, including cash.

Article 183. In accounts of embassies, consular offices or representative offices of international organizations accredited by the Brazilian government, operations of any amount may be carried out in cash or through utilization of any payment instrument utilized on the financial market.

Paragraph 1 Debits and credits against accounts of embassies and consular offices are waived from documentary corroboration and declarations of the reasons for the transfer, these

⁵⁶ Translated: Background.



BANCO CENTRAL DO BRASIL

operations being classified with specific codes from “*Serviços Diversos - Receitas e despesas governamentais*”⁵⁷. (As amended by Circular nº 3,702, dated March 28, 2014)

Paragraph 2 Debits and credits against accounts in the names of offices of international organizations accredited by Brazilian government are dispensed from documentary corroboration, these operations must be classified according information provided. (As amended by Circular nº 3,702, dated March 28, 2014)

Paragraph 3 The provision in the article above do not apply to movement of resources in the private accounts of employees of those entities. (As amended by Circular nº 3,702, dated March 28, 2014)

Article 184. In operations in amounts equal to or greater than R\$ 10,000.00 (ten thousand BRL), identification of the origin and destination of the resources, the nature code of the payments and the identity of the depositors of the amounts in these accounts, as well as the beneficiaries of the transfers effected is mandatory, with such information being stated in the dossier of the operation.

Sole paragraph. The checks utilized to operate the accounts dealt with in this chapter must contain on the back of such instruments information that makes it possible to specify the identification stipulated in the previous paragraph.

Article 185. Having received instructions to operate an account of a natural or legal person resident, domiciled or headquartered abroad without meeting the requirements contained in this chapter, the depositary bank shall not perform the operation, and is obligated to adopt procedures defined in regulation aimed at rejecting or returning the payment instrument, characterizing such as an international transfer in BRL.

Article 186. Operations in accounts dealt with in this chapter involving savings and time deposit transactions made by nonresidents in the same depositary bank of the account must be classified under nature code “72605”, noting that, in any case, the destination or origin of the resources must be filled in the field "Other Specifications" of the message or file's layout referred to on paragraph 2° of article 179. (As amended by Circular nº 3,750, dated March 11, 2015)

TITLE VII

ACCOUNTS IN FOREIGN CURRENCY WITHIN BRAZIL

CHAPTER I

GENERAL PROVISIONS

Article 187. According to the terms of current legislation and regulation, the following may be holder of foreign currency accounts in the country, duly observing the provisions of this title:

⁵⁷ Translated: "General services - Foreign government income and expenses".



BANCO CENTRAL DO BRASIL

- I – travel agencies and tourism services providers;
- II – embassies, foreign diplomatic offices and international organizations;
- III – the Brazilian Post and Telegraph Company – ECT;
- IV – international credit card administration companies;
- V – companies charged with implementing and developing energy sector projects;
- VI – foreigners temporarily in the country and Brazilians resident or domiciled abroad;
- VII – insurance, reinsurance and reinsurance brokerage companies;
- VIII – transportation companies resident, domiciled or headquartered abroad;
- IX – agents authorized to operate on the exchange market;

Paragraph 1. Such foreign currency accounts must be maintained exclusively in banks authorized to operate in foreign exchange market.

Paragraph 2. With the exception of what is contained in chapter VIII of this title, the resources maintained in the accounts mentioned in this title may be freely invested in the international market.

CHAPTER II

TOURISM AGENCIES AND TOURISM SERVICES PROVIDERS

Article 188. Tourism agencies and tourism services providers that operate with international tourism may maintain foreign currency accounts operated on a restricted basis in banks authorized to operate on the foreign exchange market in the country; regardless the agency is or is not authorized to operate on the foreign exchange market.

Paragraph 1. Deposits in such accounts may occur through foreign currency resources acquired on the exchange market for purposes of payment of commitments related to outgoing tourism or through resources in foreign currency originated abroad or received from non-residents transiting through the country for settlement of commitments related to incoming tourism.

Paragraph 2. Debits in such accounts may occur through remittances abroad for payments of tourism services rendered or through credit to foreign currency account in Brazil held by other tourism services providers acting as outgoing tourism operators or, furthermore, through conversion into national currency of payments related to incoming tourism services.

Paragraph 3. In cases of total or partial cancellation of services related to incoming tourism, the resources maintained in the account may be returned abroad through presentation to the



BANCO CENTRAL DO BRASIL

depository bank of a credit notification or equivalent document issued by the contracting party abroad at the time of payment.

Paragraph 4. Is prohibited the reception in Brazil of resources from the mentioned account or its conversion into national currency, except in the situation foreseen in Paragraph 2 or when total or partial cancellation of the tourist service occurs, in which case the depository bank must require corroborating documentation of that situation.

Paragraph 5. Banks may receive transfers for investments in time deposits or prior notification deposits, with earnings negotiated among the parties, as debits to foreign currency accounts foreseen in this article.

CHAPTER III

EMBASSIES, FOREIGN LEGATIONS AND INTERNATIONAL ORGANIZATIONS

Article 189. Foreign currency accounts opened on the basis of Article 26 of Decree 42,820, of December 16, 1957, held by embassies, foreign diplomatic offices and international organizations recognized by the Brazilian government are operated exclusively with foreign currency resources, negative balances are prohibited and authorized banks may:

I – accept checks issued against these accounts, received for charging purposes;

II – accept requests from their respective holders in order to:

- a) issue payment orders to abroad in foreign currency;
- b) effect payments in foreign currency, exclusively to members of the embassy, foreign diplomatic office or international organization that is the holder of the account;
- c) effect payments in Brazil in BRL through contracting of exchange, according to the terms of the regulations in effect.

CHAPTER IV

EMPRESA BRASILEIRA DE CORREIOS E TELEGRAFOS – ECT⁵⁸

Article 190. Operation of the account held by the ECT is restricted and should observe the following:

I – it may only be opened and operated with foreign currency originated from purchases made by the ECT on the foreign exchange market or financial transfers in the benefit of the ECT received from abroad;

⁵⁸ Brazilian Post and Telegraph Company



BANCO CENTRAL DO BRASIL

II – the amounts held in this account should be used exclusively for effecting payments due to international postal administrations as result of utilization of the international postal payments system and postal reimbursements;

III – the account must be maintained in a single bank authorized to operate in the exchange market;

IV – its balance must be restricted to the level necessary to cover payments under this system;

V – reception of foreign currency in Brazil is prohibited.

CHAPTER V

INTERNATIONAL CREDIT CARD MANAGEMENT COMPANIES

Article 191. The accounts in foreign currency in the name of international credit card administration companies are subject to restrictions and must observe the following provisions:

I – such accounts may only be opened and operated with foreign currency resources originated from purchases in authorized banks in the amounts corresponding to the values received from the holders of international credit cards;

II – the amounts maintained in these accounts are reserved exclusively to effect payments due to international credit card companies from the utilization of Brazilian credit cards abroad and in free shops in Brazil;

III – reception of foreign currency by the account holder or its conversion into national currency is prohibited.

CHAPTER VI

COMPANIES IN CHARGE OF IMPLEMENTING AND DEVELOPING ENERGY SECTOR PROJECTS

Article 192. This chapter deals with the opening and operation of foreign currency accounts in name of companies responsible for implementation and development of projects in Brazil related to petroleum and natural gas prospecting, production, exploration, processing and transformation, as well as electricity generation and transmission; noting that these accounts are subject to the following restrictions:

I – such accounts may only receive foreign currency deposits in amounts equivalent to BRL received as result of the activities stated in the caput and reserved for settlement of commitments and obligations abroad, as foreseen in the rules set down by the BCB;

II – with exception of the hypothesis stated on the article 196, sole paragraph, withdrawals against these accounts may only be made for purposes of remittance abroad as payment of liabilities included in the projects, independently of whether they are or are not backed by



BANCO CENTRAL DO BRASIL

Registration Certificates issued by the BCB, duly complying with the terms of current exchange legislation;

III – the resources existent in such accounts may be freely invested in the international market at the exclusive discretion of the account holder, noting that:

a) in the hypothesis of losses in such investments, is prohibited the replenishment of balance through new acquisitions of foreign currency, utilizing internal revenues in BRL not generated by project activities;

b) in the hypothesis of gains in such investments, the corresponding earnings are included in the principal balance, in which case the respective inflow to Brazil through foreign exchange contracting is dispensed with, provided that the earnings be reserved to meeting commitments abroad related to the project.

Sole paragraph. The account statements and financial statements indicating the amounts that may be remitted abroad must be maintained on file for five years from the end of fiscal year in which the operation occurred for purposes of presentation to the BCB, at the latter request.

Article 193. For the opening of the accounts dealt in this chapter, companies must have delegation (concession, authorization or permission) of the National Electric Energy Agency – ANEEL or the National Petroleum Agency – ANP or, furthermore, of the state entity responsible for delegation, when this case arises.

Sole paragraph. The loss of delegation dealt in the caput implies the loss of the right to maintain the foreign currency account, in which case measures to close that account and convert any existing balance into BRL should be taken, within five business days, through foreign exchange operation as set down in current regulation.

Article 194. Just one foreign currency account per company and per project is permitted, and maintaining or financing negative balances is prohibited, even occasionally.

Article 195. The foreign currency account dealt in this section may only be opened and operated by the company that is, cumulatively, responsible for projects in which implementation and development were initiated as of September 10, 1999 and with resources destined to its implementation and development that started its entry into Brazil as of September 10, 1999 and have been duly registered with the BCB.

Article 196. In case of delegation to a business consortium, all participating companies may be holders of foreign currency accounts provided that they come to earn revenues from the activities specified in caput of article 192 of this chapter, provided that:

I – the company constituted with the specific objective of managing the consortium may also be holder of a foreign currency account, which may receive resources exclusively from the participating companies to honor commitments abroad related to the project;

II – in case that the leading company is not constituted with the specific objective of managing the consortium, but is an active participant in project execution, that company may be holder of a



BANCO CENTRAL DO BRASIL

second foreign currency account, which can be utilized to receive deposits restricted exclusively to resources from the consortium participating companies to honor commitments abroad related to the project.

Sole paragraph. The deposits dealt with in items I and II above are effected exclusively in foreign currency through bank transfers, in which case exchange contracting is dispensed with when the transfers occur among the accounts cited in this section.

Article 197. Prior to opening the account, the party interested in opening and operating the foreign currency account must submit correspondence indicating the authorized bank where the account will be maintained, accompanied by documentation corroborating the delegation dealt in article 193, to the BCB/Department of Financial System Monitoring and Information Management – Desig.

Sole paragraph. In the hypothesis of delegation prior to September 10, 1999, in order to verify the article 195 provision of this chapter, the interested party must also submit to BCB/Desig a declaration from the ANEEL or ANP or, furthermore, from the state entity responsible for such delegation, that the project implementation and development have occurred as of the date cited.

Article 198. The authorized bank must comply with the following procedures for the opening and operation of the foreign currency account:

I – the interested party must submit a statement from the BCB/Desig that the company is covered by the Resolution no. 2.644, of 1999, provisions;

II – the foreign exchange operation carried out to obtain the resources to deposit in the foreign currency account must be classified as the nature “67517 – *Depósitos em conta no País em moeda estrangeira*”⁵⁹;

III – for purposes of settlement of commitments and liabilities abroad, the account holder must formalize purchase foreign exchange contracts classified as the nature “67517 – *Depósitos em conta no País em moeda estrangeira*”, and sales as the nature corresponding to the commitment or liability abroad;

IV – the foreign exchange operations dealt in this paragraph are contracted for spot settlement.

CHAPTER VII

FOREIGN INDIVIDUALS TEMPORARILY IN BRAZIL AND BRAZILIANS RESIDENT ABROAD

Article 199. Foreigners temporarily in Brazil and Brazilians resident abroad may maintain only one account per currency in a single bank, per locality, noting that such accounts are operated through orders or checks, may only be opened and funded by bank transfer from abroad and negative balances are prohibited.

⁵⁹ Translated: Brazilian Capital – Foreign Currency Deposits in Brazil



BANCO CENTRAL DO BRASIL

Paragraph 1. The depositary banks may accept checks issued against such accounts received in charging operations from bankers abroad or from banks in Brazil authorized to operate on the exchange market.

Paragraph 2. The banks may also accept requests from the account holders to:

I – withdraw or issue payment orders abroad in foreign currency;

II – effect payments of commitments in Brazil in BRL;

III – convert to BRL.

Paragraph 3. In the hypotheses of lines “II” and “III” of paragraph 2, the pertinent operations must always be preceded by a corresponding purchase of foreign currency by a bank authorized to operate on the foreign exchange market.

CHAPTER VIII

INSURANCE SOCIETIES, REINSURANCE SOCIETIES AND REINSURANCE BROKERS

Article 200. The opening and maintenance, in authorized foreign exchange market banks, of foreign currency accounts held by insurance companies, including export credit insurance companies, local reinsurers, admitted reinsurers and reinsurance brokers are permitted, observed the regulation of the National Private Insurance Council (CNSP).

Article 201. Operation of foreign currency account held by any insurance company, local reinsurer or admitted a reinsurer is restricted to:

I – reception and payment of premiums, indemnities, credits recoveries and other amounts foreseen in the insurance, reinsurance, retrocession and co-insurance contracts formalized in foreign currency;

II – earnings on investment of existing balances, observed the regulation on investment of the guarantee resources;

III – receptions of deposits for maintaining the minimum account balance established by CNSP in the case of admitted reinsurer, observed that the withdrawal of the resources destined to maintain the minimum balance may be processed only after the Private Insurance Administration (Susep) approval.

Article 202. The investment of resources reserved to guarantee technical provisions of insurance companies and local reinsurers linked to foreign currency operations and the investment of resources required to guarantee obligations of an admitted reinsurer in Brazil are subject to specific regulation.

Article 203. Operation of foreign currency account held by reinsurance broker is restricted to premiums, indemnities and other amounts foreseen in reinsurance contracts formalized in foreign currency, observed that the amounts in foreign currency relative to reinsurance broker



BANCO CENTRAL DO BRASIL

remuneration must be immediately converted into BRL by contracting and settling a foreign exchange operation.

Article 204. Regarding to the accounts dealt in this chapter:

I – resources may be freely converted to BRL, by contracting and settling foreign exchange operation, under the regulation in effect, except for amounts relative to investment of resources reserved to guarantee the technical provisions which conversion to BRL is prohibited;

II – contracting of foreign exchange operation for transfers between accounts dealt in this chapter is not required;

III – financing and maintaining negative balances in accounts dealt in this chapter are prohibited;

IV – the loss of Susep accreditation implies the loss of the right to maintain the foreign currency account as well as the obligation to close such account and to convert any existing balance into BRL within five business days, through a foreign exchange operation, under the regulation in effect

Article 205. For purposes of payment, in Brazil, of indemnities referring to insurance contracted in foreign currency in Brazil, the insurance company must issue payment order in foreign currency directly to the beneficiary, which will formalize and/or settle the foreign exchange contract.

CHAPTER IX

TRANSPORTATION COMPANIES RESIDENT, DOMICILED OR HEADQUARTERED ABROAD.

Article 206. Transportation companies resident, domiciled or headquartered abroad may open and maintain foreign-currency deposit accounts in a bank authorized to operate in the foreign exchange market on the basis of Decree no. 42,820, of December 16, 1957, and Resolution no. 3,222, of July 29, 2004. Such accounts may be replenished with resources resulting from the conversion of BRL earned in Brazil as a result of their activities.

Article 207. In foreign exchange contracts formalized for transfers abroad of revenues earned in Brazil by transportation companies resident, domiciled or headquartered abroad, the temporary retention of funds for future utilization in payment of expenses incurred in Brazil is permitted.

Paragraph 1. The foreign exchange contracts mentioned in the main section of this article are settled at the full value contracted for immediate effect, though it is permitted to send money orders abroad in amounts below the value of the corresponding foreign exchange contract with the difference being utilized within 90 days as of the date of foreign exchange contracting for purposes of payment of expenses incurred in Brazil by the transportation company resident, domiciled or headquartered abroad, with the respective foreign exchange contracts being formalized at the time of payment of such expenses according to the terms of the regulations in effect.



BANCO CENTRAL DO BRASIL

Paragraph 2. For purposes of calculating the amounts in foreign currency referring to spending incurred in Brazil as referred to in the previous paragraph, any foreign exchange rate between the minimum and maximum rates available on Sisbacen in the period of permanence of the transportation vehicle in national territory may be utilized at the discretion of the parties involved.

Paragraph 3. Should the amount estimated for current expenditures be greater than the amount effectively spent in Brazil, a new payment order must be sent abroad in an amount equivalent to that not utilized in the country, within the 90 days period cited in paragraph 1 above.

Article 208. The existence of negative balances in the account dealt with in article 206 and for retained funds as treated in article 207 is prohibited.

CHAPTER X

AGENTS AUTHORIZED TO OPERATE IN THE FOREIGN EXCHANGE MARKET

Article 209. The banks authorized to operate in the foreign exchange market can open and maintain accounts in foreign currencies in the name of financial institutions and other institutions authorized to operate by the BCB, authorized to operate in the foreign exchange market.

Article 210. The travel agencies that still hold authorization by BCB to operate in the foreign exchange market can maintain only one account in foreign currency per place in banks authorized to operate in the foreign exchange market, regarding the balance maintained in this account integrates the operational limit of the travel agency.

Article 211. The accounts referred in this section are operated through orders or checks, duly observing the following:

I – they must be recorded by depositary banks under the specific Cosif heading;

II – they may only be opened and replenished with foreign currency resources;

III – negative balances are prohibited.

Article 212. As debits to these accounts, the depositary banks may:

I – accept checks against such accounts, received as charging instruments from bankers abroad or banks authorized to operate in the foreign exchange market in Brazil;

II – accept requests from their respective account holders for purposes of:

a) withdrawals or issues of foreign currency payment orders abroad;

b) payments of obligations in BRL in Brazil;

c) conversion into BRL.



BANCO CENTRAL DO BRASIL

Sole paragraph. The transactions mentioned in lines “b” and “c” of the item II must always be preceded by the corresponding purchase of foreign currency by a bank authorized to operate in the foreign exchange market.

Article 213. Banks authorized to operate in the foreign exchange market that keep accounts in foreign currency mentioned in this chapter, must take steps to know the procedures of prevention to money laundering adopted by the holders of these accounts in order to comply with FATF recommendations, as well as implement their own Anti-Money Laundering / Counter Terrorist Financing (AML/CFT) procedures in monitoring the movement of these accounts.

TITLE VIII

FINAL PROVISIONS

Article 214. This Circular takes effect on February 3, 2014.

Article 215. From February 3, 2014, all references to the Regulation of the Foreign Exchange Market and International Capital Flow (RMCCI) released in the Circular No. 3,280, of March 9, 2005, must refer to this Circular, the Circular No. 3,690 of December 16, 2013, and Circular No. 3,689, of December 16, 2013.

Article 216. Are hereby revoked as of February 3, 2014:

I - Circular No. 1,357, of September 28, 1988;

II - Circular No. 3,280, dated March 9, 2005;

III - Circular No. 3,283, of April 29, 2005;

IV - Circular No. 3,291, dated September 8, 2005;

V - Circular No. 3,295, of October 11, 2005;

VI - Circular No. 3,299, of November 18, 2005;

VII - Circular No. 3,302, of December 15, 2005;

VIII – Articles 3 and 4 of Circular No. 3,305, of December 28, 2005;

IX - Circular No. 3,307, of December 29, 2005;

X - Circular No. 3,308, of January 4, 2006;

XI - Circular No. 3,315, of February 17, 2006;

XII - Circular No. 3,319, of April 3, 2006;



BANCO CENTRAL DO BRASIL

- XIII - Circular No. 3,321, of April 17, 2006;
- XIV - Circular No. 3,325, dated August 24, 2006;
- XV - Circular No. 3,328, of October 4, 2006;
- XVI - Circular No. 3,330, of October 27, 2006;
- XVII - Circular No. 3,331, of November 16, 2006;
- XVIII - Circular No. 3,344, of March 7, 2007;
- XIX - Circular No. 3,348, of May 3, 2007;
- XX - Circular No. 3,376, of February 12, 2008;
- XXI - Circular No. 3,379, of March 13, 2008;
- XXII - Circular No. 3,385, of May 30, 2008;
- XXIII - Circular No. 3,390, of June 27, 2008;
- XXIV - Circular No. 3,420, of November 13, 2008;
- XXV - Circular No. 3,428, of December 24, 2008;
- XXVI - Circular No. 3,430, of January 16, 2009;
- XXVII - Circular No. 3,436, of February 6, 2009;
- XXVIII - Circular No. 3,448, dated March 26, 2009;
- XXIX - Circular No. 3,454, of May 18, 2009;
- XXX - Circular No. 3,462, of July 24, 2009;
- XXXI - Circular No. 3,491, of March 24, 2010;
- XXXII - Circular No. 3,493, of March 24, 2010;
- XXXIII - Circular No. 3,505, of September 21, 2010;
- XXXIV - Circular No. 3,507, of October 6, 2010;
- XXXV - Circular No. 3,519, of December 22, 2010;
- XXXVI - Circular No. 3,525, of February 10, 2011;



BANCO CENTRAL DO BRASIL

XXXVII - Circular No. 3,527, of March 3, 2011;

XXXVIII - Circular No. 3,531, of April 13, 2011;

XXXIX - Circular No. 3,533, of April 25, 2011;

XL - Circular No. 3,545, of July 4, 2011;

XLI - Circular No. 3,551, of July 21, 2011;

XLII - Circular No. 3,554, of August 3, 2011;

XLIII - Circular No. 3,556, of August 17, 2011;

XLIV - Circular No. 3,565, of December 8, 2011;

XLV - Circular No. 3,575, of February 2, 2012;

XLVI - Circular No. 3,580, of 1 March 2012;

XLVII - Circular No. 3,584, of March 12, 2012;

XLVIII - Circular No. 3,589, of April 5, 2012;

XLIX - Circular No. 3,591, of May 2, 2012;

L - Circular No. 3,604, of June 28, 2012;

LI - Circular No. 3,605, of June 29, 2012;

LII - Circular No. 3,607, of August 3, 2012;

LIII - Circular No. 3,617, of December 4, 2012;

LIV - Circular No. 3,626, of February 19, 2013;

LV - Circular No. 3,627, of February 19, 2013;

LVI - Circular No. 3,650, of March 18, 2013;

LVII - Circular No. 3,653, of March 27, 2013;

LVIII - Circular No. 3,661, of July 3, 2013;

LIX - Circular No. 3,667, of September 11, 2013;

LX - Circular No. 3,672, of October 23, 2013;



BANCO CENTRAL DO BRASIL

LXI - Circular Letter No. 2,397, of August 17, 1993;

LXII - Circular Letter No. 3,039, of August 30, 2002;

LXIII - Circular Letter No. 3,481, of January 4, 2011;

LXIV – Communiqué Decam No. 2,223, of November 7, 1990.

Article 217. The irregularities foreseen on Section 5 of Chapter 12 of Title 1 of the RMCCI are exempt from revocation set down by Art. 216, for as long as there is pending final judgment of such irregularities in administrative bodies.

Luiz Edson Feltrim
Director of Regulation, Substitute



BANCO CENTRAL DO BRASIL

ANNEX I TO CIRCULAR N. 3,691, OF DECEMBER 16, 2013

Template of foreign exchange contract entered into with customers

Foreign Exchange Contract

Type of foreign exchange contract [<input type="checkbox"/>] purchase [<input type="checkbox"/>] sale	Number of foreign exchange contract
--	-------------------------------------

Event [<input type="checkbox"/>] contracting [<input type="checkbox"/>] cancellation [<input type="checkbox"/>] change	Date
---	------

The parties hereinafter, **the institution authorized to operate in the foreign exchange market** and **the customer**, contract this foreign exchange operation under the conditions set forth herein and declare that it shall be subject to the laws and rules, conditions and regulatory requirements applicable to the matter.

Institution Authorized to Operate in the Foreign Exchange Market

Name	CNPJ
------	------

Address

City	State
------	-------

Customer

Name	CPF/CNPJ/Foreign ID
------	---------------------

Address

City	State/Country
------	---------------

Intermediating Institution*

Name	CNPJ
------	------

Operation Data

Foreign Currency Code	Value in Foreign Currency ()
-----------------------	----------------------------------

Foreign Exchange Rate	Value in National Currency BRL ()
-----------------------	---------------------------------------

Total Effective Value (VET)*	Description of the form of foreign currency delivery	Settlement up to
------------------------------	--	------------------

Nature code	Description of the nature of operation
-------------	--

Payer / Receiver abroad*

Country of payer / receiver abroad*	Code regarding the link between the customer and payer / receiver abroad*
-------------------------------------	---

Percentage of advance on the foreign exchange contract*	RDE*
---	------

Other specifications



BANCO CENTRAL DO BRASIL

Contractual Clauses

Instructions for payment / receipt

The customer declares to have knowledge of the text in its foreign exchange contract, from Article 23 of Law no. 4131, of September 03, 1962, and in particular from §§ 2 and 3, transcribed to this document and the Circular No. 3,691, of December 16, 2013, which govern this transaction.

Article 23, §§ 2 and 3, of Law no. 4131, of September 03, 1962, as amended by Article 72 of Law No. 9,069, of June 29, 1995:

“§ 2º Offense is attributable to the banking establishment, the broker and the client, punishable by a fine of 50 (fifty) to 300% (three hundred percent) of the transaction value for each of the offenders, the false declaration of identity in the form that, in number of copies and following the model given by the BCB, will be required in each operation, the client signed and stamped by a banking institution and the broker that may intervene.

§ 3º The declaration of false information in the form referred to in § 2 is an Offense, at the sole responsibility of the customer, punishable by a fine of 5 (five) to 100% (one hundred percent) of the transaction value.”

Signatures

Institution authorized to
operate in the foreign
exchange market

Customer

Intermediating Institution

*** Field to be completed when applicable.**



BANCO CENTRAL DO BRASIL

ANNEX II TO CIRCULAR N. 3,691, OF DECEMBER 16, 2013

Financial Charge - form of communication to the company liquidator

Dear Sirs:

We refer to foreign exchange contract(s), no ____, dated / / , formalized between this bank and the company _____, which terms were not honored thus leading to cancellation/write-off of the same according to pertinent regulations.

2. In this regard, I hereby notify as to the existence of a debt in the name of that company, referring to the financial charge cited in article 12 of Law No. 7,738, of March 9, 1989, generated as a result of cancellation/write-off of the mentioned contract(s).

3. The amount to be deposited is BRL _____ () due on / / (date of cancellation/write-off), calculated according to the Circular No. 3,691, of December 16, 2013, issued by the BCB.

4. In accordance with § 1 of Art. 12 of Law No. 7,738 of 1989, the payment of such charge shall be made to this bank.

Respectfully,



BANCO CENTRAL DO BRASIL

ANNEX III TO CIRCULAR N. 3,691, OF DECEMBER 16, 2013

Financial Charge - form of collection from a bank under intervention or liquidation

Dear Sirs:

We refer to purchase contract(s) exchange no ____, dated / / , formalized between this bank and the company _____, which terms were not honored thus leading to cancellation/write-off of the same according to the terms of pertinent regulations.

2. I hereby notify as to the existence of a debt in the name of that company, referring to the financial charge cited in article 12 of Law no. 7.738, of March 9, 1989, generated as a result of cancellation/write-off of the mentioned contract(s).

3. The amount to be deposited is BRL _____ () due on / / (date of cancellation/write-off), calculated according to the Circular No. 3,691, of December 16, 2013, issued by the BCB.

4. In keeping with the terms of the provision in § 1 of article 12 of Law no. 7.738, of March 9, 1989, payment of the cited charge must be made to this bank. Should it be impossible to effect payment to that bank, the charge should be deposited directly in the BCB.

5. We point out that, from the 2nd business day after the date of the contract(s), cover late charges will be incurred in accordance with prevailing regulations, and may also involve recording the debt on the Federal Debtor Database.

Respectfully,



BANCO CENTRAL DO BRASIL

ANNEX IV TO CIRCULAR N. 3,691, OF DECEMBER 16, 2013

Form of communication from a bank under intervention or extra-judicial liquidation

Dear Sirs:

We refer to purchase contract(s) exchange no ____, dated / / , formalized between this bank and the company _____, which terms were not honored thus leading to cancellation/write-off of the same according to the terms of pertinent regulations.

2. I hereby notify as to the existence of a debt in the name of that company, referring to the financial charge cited in article 12 of Law no. 7.738, of March 9, 1989, generated as a result of cancellation/write-off of the mentioned contract(s).

3. The amount to be deposited is BRL _____ () due on / / (date of cancellation/write-off), calculated according to the provisions of Circular No. 3,691, of December 16, 2013, issued by the BCB.

4. In keeping with the terms of the provision in § 1 of article 12 of Law no. 7.738, of March 9, 1989, payment of the cited charge must be made to this bank. Should it be impossible to effect payment to that bank, the charge should be deposited directly in the BCB.

Respectfully,