

**FULL TEXT OF CVM INSTRUCTION 301, OF APRIL 16, 1999, WITH ALTERATIONS ADDED BY CVM INSTRUCTIONS 463/08, 506/11, 523/12, 534/13 e 553/14.**

~~This document rules the identification, customer information, trades, communication, limits and administrative responsibility referred to in items I and II of article 10, I and II of art. 11, and articles 12 and 13, of Law 9.613, of March 3, 1998, related to the crimes of "laundering" or concealment of assets, rights and valuables.~~

On the identification, recordkeeping, registration, operations, communication, limits and the administrative responsibility provided for in arts. 10, 11, 12 and 13 of Law no. 9.613, of March 3<sup>rd</sup>, 1998, concerning the crimes of "money laundering" or concealment of assets, rights and values.

- **As last amended by CVM Instruction 534, of June 4<sup>th</sup>, 2013.**

**THE PRESIDENT OF THE SECURITIES COMMISSION OF BRAZIL (CVM)** makes it public that the Board of Commissioners, at a meeting held on this date, with regards to Law 6.385, of December 7, 1976, as well as articles 9, 10, 11, 12 and 13 of Law 9.613, of March 3, 1998, and the single paragraph of article 14 of Decree Annex 2.799, of October 8, 1998, has decided to publish the following Instruction:

**SCOPE AND PURPOSE**

~~Article 1. The provisions of this Instruction rule the identification and customer information, the registration of trades and the limit addressed in items I and II of article 10, the trades, communication and limit referred to in items I and II of article 11, and the administrative responsibility established in articles 12 and 13, all provisions of Law 9.613, of March 3, 1998, which addresses the crimes of money laundering or concealment of assets, rights and valuables, including the provisions related to the prevention of financial system utilization for the practice of such illicit acts.~~

~~Article 1 This Instruction hereby regulates identification and registration of clients, transaction registry and the limit referred to in article 10, items I & II; transaction monitoring and reporting, and the limit referred to in article 11, items I & II; and the liabilities listed in articles 12 and 13, all of which from Law N° 9,613 of 1998, regarding money laundering, concealment of assets, rights and currencies, and measures taken to restrain the use of the financial system in the aforementioned illicit practices. (Amendment added by CVM Instruction 523, of May 28th, 2012)~~

Article 1 The provisions set forth in this Instruction govern the identification and recordkeeping of customers, the transaction log and the values limit, as well as the policies, procedures and internal controls for operations control and the enrollment of customers as provided for in sections I, II and III of art. 10, the monitoring and reporting of the operations and the limit referred to in sections I to III of art. 11, and the administrative responsibility provided in arts. 12 and 13, all provisions of Law no. 9.613, of March 3<sup>rd</sup>, 1998, which deals with crimes of "money laundering" or concealment of assets, rights and values, including as regards the prevention of the use of the financial system for the practice of such unlawful acts.

• **Article 1 amended by CVM Instruction 534, of June 4<sup>th</sup>, 2013.**

~~Article 2. The obligations established in this Instruction are imposed to the legal persons who have, permanently or occasionally, as the primary or secondary activity, whether or not cumulatively, the custody, emission, distribution, settlement, trading, intermediation or asset management, as well as the exchange and over the counter administrators, besides other persons referred to in article 9 of Law 9.613/98, who are under the supervision of the CVM, and the legal persons' managers.~~

Article 2. The following persons are subject to the obligations defined in this Instruction:

I - the people who have, on a permanent or temporary basis, as principal or accessory activity, cumulatively or not, the custody, issuance, distribution, settlement, negotiation, mediation, consulting or administration of securities and the independent audit in the context of the securities market;

II - the organized markets administrating entities; and

III - the other persons referred to in art. 9 of Law no. 9.613, of 1998, which are regulated and supervised by the SECURITIES AND EXCHANGE COMMISSION.

• **Text from CVM Instruction 534, of June 4th, 2013.**

## IDENTIFICATION AND CUSTOMER INFORMATION

Article 3. For the purposes of the provisions in article 10, paragraph I, of Law 9.613/98, the persons mentioned in article 2 of this Instruction will identify their clients and maintain their information updated.

~~Paragraph 1. Additionally to the provisions in CVM Instruction 387, of April 28, 2003, the customer information should contain, at least, the following:~~

• **Text from CVM Instruction 463, of January 8th, 2008.**

~~I— for natural persons:~~

~~a) complete name, gender, date of birth, place of birth, nationality, marital status, filiation and name of spouse or partner;~~

- ~~b) nature and number of the identification document, name of the issuing organ and date of issue;~~
  - ~~c) number of the Natural Registration of Natural Persons (CPF/MF);~~
  - ~~d) complete address (location, complement, district, city, federation unit and ZIP code) and telephone number;~~
  - ~~e) occupation; and~~
  - ~~f) information related to earnings and net worth.~~
- ~~II — for legal persons:~~
- ~~a) denomination or Trade Name;~~
  - ~~b) names of major shareholders, managers and attorneys;~~
  - ~~c) corporate identification number (NIRE) and National Registration of Legal Persons (CNPJ);~~
  - ~~d) complete address (location, complement, district, city, federation unit and ZIP code) and telephone number;~~
  - ~~e) main activity performed;~~
  - ~~f) information about the financial status and net worth; and~~
  - ~~g) denomination or Trade Name of major share, subsidiaries or affiliates legal persons.~~
- ~~III — in other hypotheses:~~
- ~~a) complete identification of the clients and their representatives and/or managers; and~~
  - ~~b) information about the financial status and net worth.~~

~~Paragraph 2. The clients must immediately inform any alterations in their registration data.~~

~~Paragraph 3. The persons mentioned in article 2 of this Instruction must update the registration forms of active clients within periods not exceeding 24 months.~~

**• Paragraph 3 added by CVM Instruction 463, of January 8th, 2008.**

Paragraph One The people mentioned in art. 2 must register their clients with, at least, the information and documents stated in Annex I.

Paragraph Two The people mentioned in art. 2 must update the registration of active clients within up to twenty-four (24) months.

Paragraph Three For the purposes hereof, an asset means a client that has handled or presented balance in its account within 24 months after the date of the last update.

Paragraph Four New handlings of accounts owned by inactive clients shall be allowed only upon the updating of their respective registrations.

Paragraph Five CVM's Board may authorize the adoption of alternative registration systems, provided that the purposes of standards in force are met and procedures liable to check are adopted.

Paragraph Six Clients must report immediately any changes in their registration data.”

**Paragraphs 1 to 6 amended by CVM Instruction 506, of September 27th, 2011.**

Article 3-A. The persons mentioned in article 2 must:

~~I—adopt an internal control handbook measures, according to the procedures previously and expressly established, seeking to confirm their clients' information, so as to avoid the use of the account by third parties and identify the beneficial owners of the transactions;~~

I – Abide by the policies, rules, procedures and internal controls on an ongoing basis, according to predefined and formally stated procedures, in order to validate and update customer profile information, and to monitor transactions carried out by customers, with the purpose of identifying the final beneficial owner and avoiding the use of the account by third parties; (Amendment added by CVM Instruction 523, of May 28, 2012)

**• Item I amended by CVM Instruction 523, of May 28th, 2012**

II – identify the persons considered politically exposed;

~~III—supervise more rigorously the business relation maintained with the politically exposed person;~~  
and

III –Thoroughly supervise business relationships with politically exposed persons;

~~IV—dedicate special attention to proposals of relationship initiation and the transactions performed with politically exposed persons from countries with which Brazil has a high number of financial and commercial transactions, common borders or ethnic, linguistic or political proximity.~~

IV – Pay special attention when considering proposals to initiate business relationships with politically exposed persons, as well as to transactions carried out with politically exposed persons, including transactions originated in countries with which Brazil engages in frequent financial and commercial transactions, shares common borders or has ethnic, linguistic or political proximity;

V – maintain rules, procedures and internal controls to identify clients that became politically exposed persons after the start of the relationship with the financial institution, or that are subsequently found to be politically exposed persons since the beginning of the relationship with the financial

institution, and apply the procedures set forth in items III & IV; and (Amendment added by CVM Instruction 523, of May 28, 2012)

VI – maintain rules, procedures and internal controls to identify the source of funds used in transactions involving customers or beneficial owners known to be politically exposed persons. (Amendment added by CVM Instruction 523, of May 28, 2012)

• **Items III, IV, V and VI amended by CVM Instruction 523, of May 28th, 2012**

~~Single paragraph: In case of a business relation between the persons mentioned in article 2 and the foreign country that is also a client of a foreign institution regulated by a government authority similar to the CVM, the provisions established in this Instruction can be adopted by the foreign institution, provided that the CVM has received access to data and adopted procedures.~~

Paragraph 1 With respect to business relations between a person mentioned in article 2 and a foreign client that is also a client of a foreign institution overseen by a governmental authority similar to the CVM, the measures established by this Instruction may be taken by the foreign institution, provided the CVM is granted access to data and procedures adopted.

Paragraph 2 The institutions referred to in article 2 may only initiate any business relation with a client, or resume an existing relation, if the steps prescribed by articles 3 and 3-A, as the case may be, are duly taken.”

• **Paragraphs 1 and 2 amended by Instruction 553, of October 16th, 2014**

Art. 3-B The following must be considered for the purposes of the provisions in this Instruction:

I – a politically exposed person is that who performs or has performed in the last 5 (five) years prominent public functions and posts in Brazil or in other countries, territories and foreign facilities, as well as their representatives, relatives and other closely related people.

II – prominent public functions and posts performed by heads of state and government, high-level politicians, high public service employees, high-level magistrates or military members, directors of public companies or leaders of political parties; and

III – relatives of the politically exposed person, their family members, to the first degree relationship, as well as spouse, partner and stepchild.

Paragraph 1. The period of 5 (five) years referred to in item I should be counted retroactively from the start date of business relationship or the date when the client became conformed to the conditions of a politically exposed person.

Paragraph 2. Additionally to the definition in item I of the **caput** of this article, in Brazil, politically exposed persons are:

I – Elective office holders of Federal Executive and Legislative Branches;

II – holders of positions in the Federal Executive Branch:

a) Minister of State or equivalent;

b) Position of a Special Nature or equivalent;

c) President, Vice President and director position, or equivalent, in governmental agencies, public foundations, State-held companies or publicly-held companies controlled by the State; or

d) Senior official position of level six (DAS-6) or equivalent;

III – Members of the National Justice Council, the Federal Supreme Court and other High Courts;

IV – Members of the National Council of the Public Prosecution Office, as well as of the Attorney-General of the Republic, the Deputy Attorney-General of the Republic, the Attorney-General of the Ministry of Labor, the Attorney-General of the Military Justice, the Under-Attorney General of the Republic and the Justice Attorney-General of the Federal District and the State.

V – Members of the Federal Audit Court and of the Attorney-General of the Public Prosecution Office with the Federal Audit Court;

VI Position of State governor, Federal District governor, president of the Court of Justice, president of Legislative Assembly, president of District Chamber, as well as the president of State, City, and Federal District Audit Courts and Audit Councils;

VII – Position of mayor and president of Municipal Chambers of State capitals.

- **Articles 3-A and 3-B added by CVM Instruction 463, of January 8th, 2008.**

## **TRANSACTION REGISTRATION AND LIMIT**

Article 4. The persons mentioned in article 2 of this Instruction will maintain the registration of all transactions involving securities, regardless of its value, so as to allow:

~~I – the timely communication referred to in article 7.~~

I - the timely communications referred to in arts. 7 and 7-A; and (Amendment added by CVM Instruction 534, of June 4th, 2013)

- **Item I amended by Instruction 534, of June 4th, 2013**

~~II – the verification of each client's financial transactions, based on criteria defined in the internal control handbook procedures of the institution, regarding the financial status and net worth reported in the customer information, and considering:~~

II – the cross-check of financial transactions carried out by each customer, according to criteria defined by the institution’s rules, procedures and internal controls, relative to each customer’s equity and income, as stated in the customer profile, taking into consideration: (Amendment added by CVM Instruction 523, of May 28, 2012)

**Item II amended by CVM Instruction 523, of May 28th, 2012**

- a) amounts paid for the settlement of transactions;
- b) amounts or assets deposited as collateral, in transactions coursed in the derivatives market; and
- c) transfers of securities to the client’s custody account.

• **Text from CVM Instruction 463, of January 8th, 2008.**

**THE CONSERVATION PERIOD OF REGISTRATIONS AND RECORDS**

Article 5. The registrations and records referred to, respectively, in articles 3 and 4, as well as the documentation proving the adoption of the procedures established in article 3-A of this Instruction, must be kept and remain at the disposal of the CVM for at least 5 (five) years from the account closing or the conclusion of the last transaction performed on behalf of the respective client, and this period might be indefinitely extended in case an investigation be communicated officially by the CVM to the person or institution.

• **Text from CVM Instruction 463, of January 8, 2008.**

**TRANSACTION MONITORING AND REPORTING**

~~Article 6. For the purposes of the provision of article 11, item I, of Law 9.613/98, the persons mentioned in article 2 of this Instruction will dedicate special attention to the following transactions involving securities:~~

Article 6. Regarding Law N° 9,613/1998, article 11, item I, the persons referred to in article 2 of this Instruction must monitor the following operations and circumstances pertaining to securities on an ongoing basis: (Amendment added by CVM Instruction 523, of May 28, 2012)

I – transactions whose values are objectively incompatible with the professional occupation, the earnings, net worth or financial status of any of the involved parties, based on the respective customer information data;

II – transactions performed between the same parties or on their behalf, in which continued gains or losses referring to any of those involved are present;

• **Text from CVM Instruction 463, of January 8th, 2008.**

III – transactions that evidence a significant oscillation in relation to the financial amount and/or frequency of business of any of the involved parties;

IV – transactions whose developments evidence characteristics that may constitute fraud regarding the identification of the involved parties and/or respective beneficiary;

V – transactions whose characteristics and/or developments evidence contumacious actions on behalf of third parties; and

VI – transactions that evidence a sudden and objectively unjustified change regarding the type of transactions generally done by those involved;

VII – transactions performed seeking to generate losses or gains that objectively present no economic purposes;

~~VIII – transactions with the participation of resident natural persons or entities constituted in non-cooperative countries and territories, as provided for in the alerts issued by the Control Council of Financial Activities (COAF), the Financial Intelligence Unit of Brazil;~~

VIII – transactions involving natural persons residing or legal entities established in countries that do not or insufficiently apply the recommendations set forth by the Financial Action Task Force – FATF; (Amendment added by CVM Instruction 523, of May 28, 2012)

**Item VIII amended by CVM Instruction 523, of May 28th, 2012.**

IX – transactions cleared and settled in cash, if and when allowed;

X – private transfers, for no apparent reason, of resources and securities;

XI – transactions whose level of complexity and risk are incompatible with the technical qualification of the client or the client's representative;

~~XII – deposits or transfers performed by third parties, for the settlement of the client's transactions, or as collateral in transactions in the derivatives market; and~~

XII – deposits or fund transfers carried out by third parties, intended to settle customer transactions or to offer guarantees for customer transactions in futures markets; (Amendment added by CVM Instruction 523, of May 28, 2012)

~~XIII – payments to third parties, in any condition, for the settlement of transactions or redemptions of amounts deposited as guarantee, registered on behalf of the client.~~

XIII – any type of payments to third parties done through settlement accounts or via withdrawal customer funds that had been offered as guarantees; (Amendment added by CVM Instruction 523, of May 28, 2012)



XIV – situations where it is not possible to keep customer profile information updated; (Amendment added by CVM Instruction 523, of May 28, 2012)

XV – situations and transactions where it is not possible identify the final beneficial owner; and (Amendment added by CVM Instruction 523, of May 28, 2012)

XVI – situations in which the examinations referred to in article 3-A cannot be carried out. (Amendment added by CVM Instruction 523, of May 28, 2012)

**Items XII, XIII, XIV, XV, XVI amended by CVM Instruction 523, of May 28th, 2012.**

Paragraph 1. The persons mentioned in the **caput** of this article should dedicate special attention to the transactions in which the following categories of clients take part:

I – non-resident investors, especially in the form of trusts and associations with bearer securities;

II – investors with large amounts of money managed by areas of financial institutions specially created for clients with such profile (“private banking”); and

III – politically exposed persons (article 3-B).

Paragraph 2. For the purposes of the provisions in this article, the persons mentioned in the **caput** must analyze the transactions along with other connected transactions that may be part of the same group of transactions or have any sort of relation between them.

**• Paragraphs VII and XIII and Paragraph 1 and 2 included by CVM Instruction 463, of January 8th, 2008.**

~~Article 7. For the purposes of the provision of article 11, item II, of Law 9.613/98, and Decree 5.640/05, the persons mentioned in article 2 of this Instruction must communicate to the CVM, within the period of twenty four hours from the occurrence that objectively allow them to do so, all transactions, or transaction proposals in the registrations established according to article 4 of this Instruction which may constitute important evidence of crimes regarding "laundering" or concealment of assets, rights and amounts derived from the crimes included in article 1 of Law 9.613 of 1998, including terrorism or its financing, or related to those, in which:~~

Article 7 For the purposes of the provisions in art. 11, line II, of Law no. 9.613, of 1998, and Decree no. 5.640, of December 26th, 2005, the persons mentioned in art. 2 of this Instruction shall communicate the Financial Activities Control Board, refraining from providing information about such act to any person, including the one to which the information refers to, within twenty-four (24) hours after the occurrence that, objectively, allows us to do so, all transactions, or proposals of transaction, covered by the records provided for in art. 4 of this Instruction, which may be considered as serious evidences of crimes of "money laundering" or concealment of assets, rights and values derived from criminal infraction, as provided for in Art. 1 of Law no. 9.613, of 1998, including terrorism or terrorism financing, or related to them, in that: (Amendment added by CVM Instruction 534, of June 4th, 2013)

I – exceptional characteristics are verified regarding the involved parties, form of execution or utilized instruments; or,

II – economic or legal purpose is objectively missing.

• **Text from CVM Instruction 463, of January 8th, 2008.**

~~Paragraph 1. The communications referred to in this article may be performed through magnetic media, when appropriate, and the communicants should not inform their respective clients of such acts.~~

**Paragraph 1 revoked by CVM Instruction 534, of June 4<sup>th</sup>, 2013.**

Paragraph 2. The communications done in good-faith will not result, as determined by law, in civil or administrative liabilities to the persons referred to in the **caput** of this article.

Paragraph 3. The transactions related to terrorism or its financing are those executed by persons who practice or plan to practice terrorist acts, participate in such acts or facilitate its practice, as well as entities belonging to or controlled by such persons, whether directly or indirectly, and persons or entities acting under the responsibility of these persons or entities.

Paragraph 4. The communication established in the **caput** of this article should also inform whether it is concerned with the client considered as a politically exposed person.

• **Paragraphs 3 and 4 amended by CVM Instruction 463, of January 8<sup>th</sup>, 2008.**

Paragraph 5. The records of the analyses that support the decision to report transactions or relationship proposals, as described in the heading of this article, must be kept for 5 years, or for a longer period if demanded by CVM in cases of administrative procedures. (Amendment added by CVM Instruction 523, of May 28, 2012)

**Paragraph 5 amended by CVM Instruction CVM Instruction 523, of May 28th, 2012.**

Art. 7-A For the purposes of the provisions in art. 11, item III, of Law no. 9,613, of 1998, the persons mentioned in art. 2 of this Instruction, provided no communication about the caput of art. 7 has been made to the Financial Activities Control Council, should communicate the SECURITIES AND EXCHANGE COMMISSION, annually, up to the last working day of January, by means of an electronic system available on the webpage of the SECURITIES AND EXCHANGE COMMISSION in the worldwide computers network, the non-occurrence in the previous calendar year of any transactions or proposed transactions that must be communicated, in accordance with art. 7.

Paragraph 1 The communication provided in this article will be protected by secrecy.

Paragraph 2 The Securities and Exchange Commission may sign an agreement with the Financial Activities Control Board and other regulatory bodies for the purposes of receiving the information mentioned in the caput.

**Article 7-A amended by Instruction 534, of June 4th, 2013.**

## THE ADMINISTRATIVE RESPONSIBILITY

Article 8. The persons mentioned in article 2 of this Instruction who do not comply with the obligations established in articles 10 and 11 of Law 9.613/98 and with this Instruction are subject to the sanctions of article 12 of Law 9.613/98, whether cumulatively or not, and as established in the Decree Annex 2.799, of October 8, 1998.

## FINAL PROVISIONS

Article 9. The persons mentioned in article 2 of this Instruction must:

~~I — develop and implement an internal control handbook that enable the full compliance with the provisions of this Instruction; and~~

I – adopt and implement rules, procedures and internal controls that provide for the accurate observance of the provisions referred to in this Instruction, and that include the following activities: (Amendment added by CVM Instruction 523, of May 28, 2012)

a) Customer data collation and registry to allow a timely identification of the risk of crimes described in article 1 of this Instruction being committed; (Amendment added by CVM Instruction 523, of May 28, 2012)

b) prior analysis of new technologies, services and products, aiming at avoiding the crimes described in article 1 of this Instruction; and (Amendment added by CVM Instruction 523, of May 28, 2012)

c) employee selection and monitoring to promote high standards among the staff, aiming at the prevention of the crimes described in article 1 of this Instruction; (Amendment added by CVM Instruction 523, of May 28, 2012)

~~II — maintain a continuous training program for employees, for the advertisement of control and prevention procedures regarding money laundering.~~

II – Provide an ongoing staff training program to publicize rules, procedures and internal controls, and the prevention of money laundering and terrorism financing. (Amendment added by CVM Instruction 523, of May 28, 2012)

**Items I and II amended by CVM Instruction 523, of May 28th, 2012.**

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Article 10. The persons mentioned in article 2 of this Instruction should have a director responsible for the compliance with the obligations herein established, who will be granted the access to the customer information data and any information regarding the transactions performed.

• **Text from CVM Instruction 463, of January 8th, 2008.**

## **LEGAL EFFECT**

Article 11. This Instruction shall come into effect as of the date of its publication in the Brazilian Official Gazette, considered valid as from August 2, 1999.

*Original signed by*  
**FRANCISCO DA COSTA E SILVA**  
**Chairman**

**Annex I added by CVM Instruction 506, of September 27th, 2011**

**ANNEX I**

***Minimum content of clients' registration***

Art. 1 Clients registration must have, at least, the following content:

I – if an individual:

- a) full name;
- b) gender;
- c) date of birth;
- d) place of birth;
- e) country;
- f) marital status;
- g) parents;
- h) name of spouse or partner;
- i) type and number of ID document, name of issuing body and date of issue;
- j) number of registration with the Brazilian Register of Individual Taxpayer (CPF/MF);
- k) full address (street, complement, district, city, state and zip code) and phone number
- l) electronic mail address;
- m) occupation;
- n) employer institution;
- o) information about earnings and financial status;
- p) information about the client's risk profile and financial knowledge;
- q) whether the client operates on account of third parties, in case of investment funds administrators and portfolios administered;
- r) whether the client authorizes the transmission of orders by attorney or not;

- s) indication of attorneys (if any);
- t) qualification of attorneys and description of their powers (if any);
- u) date of registration updates;
- v) client's signature;
- w) copy of the following documents:
  - i) ID document; and
  - ii) residency or domicile supporting document.
- x) copies of the following documents, as the case may be:
  - i) power-of-attorney; and
  - ii) attorney's ID document.

II – if a legal entity:

- a) name or corporate name;
- b) names and CPF/MF of direct controllers or corporate name and registration in the Brazilian Register of Corporate Taxpayers (CNPJ) of direct controllers;
- c) names and CPF/MF of managers;
- d) names of attorneys;
- e) number of CNPJ;
- f) full address (street, complement, district, city, state and zip code);
- g) phone number;
- h) electronic mail address;
- i) main activity developed;
- j) monthly average revenue for the last twelve months and financial status;
- k) information about the client's risk profile and financial knowledge;
- l) name or corporate name of controller, controlled or affiliate legal entities;

- m) whether the client operates on account of third parties, in case of investment funds administrators and portfolios administered;
- n) whether the client authorizes or not the transmission of orders by agent or attorney;
- o) qualification of agents or attorneys and description of their powers;
- p) date of registration updates;
- q) client's signature;
- r) copy of the following documents:
  - i) CNPJ;
  - ii) legal entity's organization document duly updated and registered with the applicable agency; and
  - iii) corporate documents indicating the legal entity's managers, as the case may be.
- s) copies of the following documents, as the case may be:
  - i) power-of-attorney; and
  - ii) attorney's ID document.

III – in the other cases:

- a) full identification of clients;
- b) full identification of their agents and/or managers;
- c) financial and estate position;
- d) information about the client's risk profile and financial knowledge;
- e) whether the client operates on account of third parties, in case of investment funds administrators and portfolios administered;
- f) dates of registration updates; and
- g) client's signature.

Paragraph One Changes in the address appearing in the registration depends on the client's order, written or by electronic means, and a supporting document for such address.

Paragraph Two. In case of non-resident investors, the registration must include further:

I – the names of individuals authorized to issue orders, and, as the case may be, the institution’s managers or those responsible for managing the portfolio; and

II – the names of the legal representative and of the responsible for the custody of its securities.

Art. 2 The registration must include a declaration, dated and signed by the client, or, as the case may be, by attorney duly appointed, that:

I – the information given upon the registration is true;

II – the client undertakes to inform, within ten (10) days, any change occurring in its registration data, including any revocation of mandate, in case there is an attorney;

III – the client is a person bonded to the intermediaries, as the case may be;

IV – the client is not prevented from operating in the securities market;

V – its orders must be given in writing, through electronic systems of automated connections or phone and other voice transmission systems; and

VI – the client authorizes its intermediaries, in case of pending debts on its name, to settle the contracts, rights and assets acquired on its account and order, as well as execute the goods and rights given as guarantee to its operation or under the custody of the agent, applying the product of the sale for the payment of pending debts, regardless of judicial or extrajudicial notice.

~~Sole paragraph. For the purposes of negotiating investment fund shares, the registration with the intermediate shall include the client’s prior authorization, upon applicable instrument, including the declaration of awareness that:~~

~~I – it has received the regulation and, as the case may be, the prospect or sheet;~~

~~II – it is aware of the risks involved and the investment policy;~~

~~III – it is aware of the possibility of the negative net equity event, as the case may be, and, in this case, of its responsibility for any additional fund contribution.~~

§ 1 The register shall also contain a declaration stating the purpose and nature of the business relation with the institution, which has to be dated and signed by the client or by his/her attorney.

§ 2 With respect to the trading of investment fund units, the register maintained by the market intermediary shall also contain clients’ prior written authorization, including:

I – a declaration of receipt of the fund’s by-laws and, if applicable, the prospectus and the synopsis document;



II – a declaration of having been duly notified about all risks involved and about the investment policy;

III – a declaration of having been informed that the fund’s net worth may turn negative and that apportioning additional resources to the fund may thus become necessary.

§ 3 The provisions set forth in § 2 of this article do not apply to the trading of units on organized markets.”

• **As amended by Instruction 553, of October 16th, 2014**

Art. 3 The registration of clients making operations with derivatives in organized market must include a standard contract specific for such operations.

Sole paragraph. The market administrating entity must set the content of the standard contract mentioned in the **introduction.**”