

# REGULATIONS OF INTEREST TO FOREIGN INVESTORS

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## CVM INSTRUCTION 325 of January 27, 2000

*Disciplines CVM's  
registration  
procedures of non-  
resident Investors  
as treated by CMN  
Resolution 2689 of  
January 26, 2000,  
as well as other  
matters.*

The Chairman of the Securities Commission - CVM - announces that the Board of Commissioners, meeting on this date, and considering provisions of Part I of Article 8 of Law 6385 of December 7, 1976, and of National Monetary Council Resolution 2689 of January 26, 2000, have thereby RESOLVED to issue the following Instruction:

**First Article** - This Instruction treats general rules for CVM registration of non-resident investors in Brazil, within the terms of CMN Resolution 2689 of January 26, 2000.

**Second Article** - For the effects of the provisions of Part III of Art. 3 of CMN Resolution 2689, individual or collective investors, either individuals or companies, funds, or other collective investment entities with residence, headquarters, or domicile abroad are subject to CVM registration.

Sole paragraph. Omnibus accounts may only be held by investors whose qualifications are contemplated in item I.5, lines "a" to "g" of the Annex to CMN Resolution 2689.

**Third Article** - Before beginning trading operations in Brazil, and after completing the form contained in the Annex to CMN Resolution 2689, the non-resident investor shall, through his or her local representative, be accredited with the CVM.

§1 - CVM registration numbers shall appear on all operations carried out in the name of each participant investor of an omnibus account or the individual account holder in order to permit the identification of the beneficial owners of operations carried out and to duly assure segregation of orders of account holders and of each account participant.

§2 – Upon registration request, the local representative shall supply by electronic means the information contained in the Annex to CMN Resolution 2689.

§3 - Non-resident investors already registered with the CVM are also required to complete the form the form contained in the Annex to CMN Resolution 2689.

§4 – The CVM shall issue an opinion regarding registration within twenty-four after the request by the representative, as treated in Art. 3, Part I of CMN Resolution 2689.

**Fourth Article** - The representative treated in Part I of Art. 3 of CMN Resolution 2689 shall, if an individual, be resident and domiciled in Brazil; if a company, it shall be duly constituted and qualified to function in Brazil, observing also the provisions stated in § 2, Art. 3 of CMN Resolution 2689.

**Fifth Article** - Non-resident investors who intend to operate as account holders should request accreditation with the CVM. The local representative should present, whenever so requested, the following documents:

I - the form described in the Annex to CMN Resolution 2689;

II - a signed contract in accordance with Part I of Art. 5 of CMN Resolution 2698;

III - a securities custody contract signed between the non-resident investor and the institution authorized by the CVM to provide such service;

IV - for each participant investor of the account, the form named by Part I of this Article.

§1 - Non-resident investors may be holders and participants of one or more accounts and, in case the option is made to maintain their securities in separate custody accounts or in more than one custody institution, the custody contract shall contain a clause that treats the operational procedures for movement between accounts, including the information to be provided to the account holder and to local representatives.

§2 - The holder of a collective account may operate his or her own resources in such an account, as long as a registration in his or her name has been requested for this purpose.

**Sixth Article** - Account holders, their local representatives, and depository institutions, or custodians, or registrar of companies institutions shall provide to the CVM, upon request, the following information listed by individual participants: list of trading operations, portfolio composition, custody balance or any other additional information requested.

**Seventh Article** - Local representatives shall present monthly to the CVM, until the fifteenth business day of the subsequent month, by electronic means, information regarding non-resident investors, according to the data bank structure and computer programs supplied by the CVM.

Sole paragraph. The Department of Relations with Institutional Investors of the CVM is hereby authorized to create, change, include, or replace the computer programs referred in the *caput*, as well as to change the frequency of presentation of such information.

**Eight Article** – Prior authorization of CVM is required if custody position changes between non-resident investors abroad is a result of mergers, incorporation, spin-offs and other corporate changes, as well as from inheritance matters.

Sole paragraph. The transfer of securities between different accounts in which a non-resident investor participates shall be communicated to the CVM.

**Ninth Article** - Representatives of non-resident investors shall communicate to the CVM the cancellation of local representative contracts before such cancellation goes into effect.

**Article 10** – Securities portfolios maintained in Brazil by foreign institutional investors and covered by the Annex IV to CMN Resolution N°1289 of March 20, 1987, shall, before July 1, 2000, be adapted to the conditions of CMN Resolution 2689.

**Article 11** - The CVM may suspend or cancel the registration of non-resident investors who fail to comply with the provisions of Articles 3, 4, and 5 of this Instruction, based upon Part II of § 1 of Art. 9 of Law 6385 of December 7, 1976, in addition to other penalties which may apply.

**Article 12** - For the effect of the provisions of Art. 11, § 3, of Law 6385/76, the non-compliance of the provisions of Articles 3, 5, 6, 9, and 10 of this Instruction are considered to be serious offenses.

**Article 13** - CVM Instructions 169 of January 2, 1992, 210 of April 15, 1994, and 242 of January 26, 1996 are hereby revoked.

**Article 14** - This instruction enters into force on March 31, 2000.

Original signed by  
FRANCISCO DA COSTA E SILVA  
Chairman

**Fale com a CVM**