

LEGAL OPINION CVM # 31, DATED SEPTEMBER 24, 1999

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Understanding note about article 3 of Instruction CVM 301, of April 16, 1999 ("Money Laundering"), related to the maintenance and update of client registration data.

1. This legal opinion is related to Instruction CVM 301, dated April 16, 1999, hereinafter referred to as Instruction, which consubstantiates the discipline, within the reach of CVM, of Law 9.613, of March 3, 1998, which regulates the crimes of "money laundering" or the concealment of assets, rights and values. This legal opinion addresses more specifically the article 3 of the Instruction.

2. The following entities are subjected to the obligations under the Instruction (article 2):

- the legal entities that have, occasionally or permanently, as main or secondary activity, cumulatively or not, the custody, issue, distribution, liquidation, negotiation, intermediation or administration of bonds or securities;
- the stock exchanges;
- the entities of the organized OTC market;
- the commodity and futures exchanges;
- the people referred to in article 9 of Law 9.613/98 who are under the discipline and control of the CVM; and
- the administrators of all legal entities above.

3. The article 3 of the Instruction regulates the identification and maintenance of client registration, which should have at least the data there required. According to Law 9.613/98 (article 10, item I), the registrations should be permanently updated. For this purpose, paragraph 2 of article 3 also establishes that the clients should immediately inform any alterations in their registration data. The people in charge of the registrations should check, at each service provision, or periodically, whether the data are updated, adopting the necessary measures whenever data update is required, and asking the clients to notify that in such situations.

4. The minimum diligence required of the people in charge of the registration maintenance also includes the advertisement of the Instruction content to clients, warning them that the provision of any untrue or incomplete information about the financial and patrimonial situation, or the non-provision of data about it, may imply the assumption of inexistent economic basis, due to the incompatibility of the operation performed and the financial and patrimonial situation informed by the client, with consequent communication to CVM (article 7 of the Instruction).

5. The effective compliance with the Instruction, in terms of registration data, assumes that the people subjected to its regulations have clients with security market operations. Thus, an exchange, bond and security agency that does not have this type of client because it does

not have security market operations, although properly authorized for that, is not subjected to the specific rules of the Instruction.

6. In relation to the required designation or corporate name of the controllers, controlled or colligated entities, for the registration of legal entities (article 3, paragraph 1, item II, sub-item "g"), the people in charge of the registration maintenance may require either the designation or the corporate name of the related entities that are also clients.

7. The requirement indicated in the item above is a result of article 4, single paragraph, of the Instruction, which establishes the mandatory registration of bond or security negotiations carried out with the same entity, conglomerate or group, in the same calendar month, by the legal entity client or entities related to such client, whose amounts together are over R\$ 10.000,00 (ten thousand reais).

8. Finally, it should be noted that, the fact that certain entities are not subjected to the registration maintenance does not exempt them from complying with the other obligations of the Instruction that are not related to registration data.

9. Thus, the people subjected to the obligations established in the referred regulatory norm should, with good sense, comply with the applicable rules determined in the Instruction.

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Published on DOU of September 30, 1999, page 13, section 1.