

October 11, 2019  
005/2019-PRE

## EXTERNAL COMMUNICATION

To: B3's Market Participants

Re: **CVM/SMI/SIN Circular Letter 3/2019.**

At the request of the Securities and Exchange Commission of Brazil (CVM), we hereby inform the participants in B3's markets of the content of CVM/SMI/SIN **Circular Letter 3/2019**, attached hereto. CVM/SMI/SIN **Circular Letter 3/2019** determines that the Responsible Directors according to CVM Instruction 301 must adapt the rules, procedures and internal controls of their respective participant for all existing and future business relationships, in order to allow the identification of any individual investors, corporations or entities encompassed by asset freezing determinations imposed by the United Nations Security Council (UNSC), pursuant to the provisions of Law 13.810/2019. The responsibilities arising from Law 13.810/2019 must not be governed by the Risk-Based Approach.

Further information may be obtained from BSM Market Supervision, by telephone on +55 11 2565-7306 or by email at [bsm@bsmsupervisao.com.br](mailto:bsm@bsmsupervisao.com.br).

Gilson Finkelsztain  
Chief Executive Officer

Rio de Janeiro, June 4, 2019.

To: Responsible Directors according to CVM Instruction 301, of April 16, 1999

**Re: New routines in CVM Instruction 301/99 as a result of Law 13.810, of March 8, 2019**

1. Law 13.810 was promulgated on March 8, 2019, coming into effect as of June 6, 2019 (revoking Law 13.170, of October 16, 2015) and governing compliance with sanctions imposed in United Nations Security Council (UNSC) resolutions, encompassing freezing assets of individuals, corporations and entities and the national designation of individuals under investigation for or accused of terrorism, of its financing or of related activities, establishing new procedures to be followed by individuals and corporations that carry out those activities set out in article 9 of Law 9.613, of March 3, 1998.
2. To assure full compliance with the new legal framework, those bound by article 2 of CVM Instruction 301, of April 16, 1999 must, within the limits of their authority, adapt the rules, procedures and internal controls for all existing and future business relationships, in order to allow the identification of any individual investors, corporations or entities encompassed by asset freezing determinations.
3. Those thus legally bound must immediately, and with no prior notice to the sanctioned party, comply with the measures established in United Nations Security Council (UNSC) sanction resolutions or with the designations of its committees that determine the freezing of assets directly or indirectly held by individuals, corporations or entities, pursuant to the provisions of Law 13.810/2019, without impinging on the duty of complying with court rulings to freeze assets.
4. The legally bound parties must also promptly inform the Ministry of Justice and Public Security and the CVM of the existence of individuals and assets subject to the sanctions foreseen in Law 13.810/2019 when these legally bound parties have failed in their duty of immediate compliance, providing due justification for this failure.
5. The freezing of assets dealt with by this Circular Letter refers to the prohibition against transferring, converting, transporting, directly or indirectly providing or using assets, also applying in the case of interest and other profits obtained through legal transactions and of contractual profits, as foreseen in articles 2, subparagraph II, and 31, paragraph 2, of Law 13.810/2019.

6. Without adversely affecting the CVM communication foreseen in subparagraph I of article 10 of Law 13.810/2019, the bound parties must directly and permanently monitor the asset freezing provisions referred to in item 2 of this Circular Letter.

7. Furthermore, those included on the list of article 2 of CVM Instruction 301/99, must immediately and simultaneously communicate the freezing of assets and attempts at their transfer related to individuals, corporations or entities sanctioned by the United Nations Security Council (UNSC) resolution or by the designations of its sanctions committees, pursuant to the provisions of article 11 of Law 13.810/2019:

7.1 – to CVM via [listas@cvm.gov.br](mailto:listas@cvm.gov.br);

7.2 – to the Ministry of Justice and Public Security;

7.3 – to the Council for Financial Activities Control (Coaf), in the manner of communications foreseen in article 11, subparagraph II, of Law 9.613/98, specifically in CVM's Siscoaf Segment, as set out in the classification foreseen in article 7, paragraph 3 of CVM Instruction 301/99.

8. The adaptation of the rules, procedures and controls mentioned in paragraph 3 must follow the timing of Law 13.810/2019 entering into effect.

9. The sanction lists of all of the United Nations Security Council (UNSC) committees are available at the following link <https://www.un.org/securitycouncil/sanctions/information>.

10. This Circular Letter renders Circular Letters 04/2015/CVM/SMI/SIN and 05/2015/CVM/SMI/SIN without effect from the moment that Law 13.810/2019 enters into effect.

**FRANCISCO JOSÉ BASTOS SANTOS**

Market Surveillance Director

**DANIEL WALTER MAEDA**

Institutional Investor Supervision Director