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**CVM Instruction N° 541, of December 20th, 2013
(with changes introduced by CVM Instruction N° 569/15)**

Establish provisions for central securities depository services.

The **PRESIDENT OF THE SECURITIES COMMISSION – CVM** makes public that the Collegiate, in session held on December 4^h, 2013, based on Articles 1 (item VI), 8 (item I) and 24 of Law n. 6,385, of December 7th, 1976; on Articles 41 and 293 of Law n. 6,404, of December 15, 1976; on Article 63-A of Law n. 10,931, of August 2nd, 2004; on Articles 22 and 27 of Law n. 12,810, of May 15, 2013 and on Decree n. 7,897, of February 1st, 2013, **APPROVED** the following Instruction:

CHAPTER I – DEFINITIONS AND SCOPE

Section I – Central Depository Services

Article 1 – The central depository services must be provided by legal persons authorized by the Securities Commission (CVM) in the terms established in this Instruction.

§ 1 - The central depository services referred in the *caput* comprises the following activities:

I – the securities safekeeping;

II – the securities' ownership control in a structure of deposit accounts held in the name of the investors;

III – the imposition of restrictions for final investors or any other third party to dispose of securities outside the central depository environment; and

IV – the processing of instructions for the movement of securities and the processing of events impacting the deposited securities, with the corresponding registration in the deposit accounts.

§ 2 - The securities deposited in the central deposit accounts are represented and moved only by means of book-entry registries in the referred accounts

§ 3 - The present Instruction:

I – is not applicable to the positions held in the derivatives markets, except for the disposed in § 4 of Article 35; and

II – is applicable to financial bills and to other instruments whereas, in case of public offering, are subject to the CVM jurisdiction.

§ 4 – For the purpose of this Instruction, investors are defined as the natural or legal person, investment fund, investment club or non-resident investor under whose name the securities transactions are carried out and, as clients of the custodians, maintain an indirect relationship with the central depository.

Article 2 – The central depository should conduct its activities with probity, good faith, diligence and loyalty with respect to the interests of the investors.

Sole paragraph – While conducting its activities, the central depository should adopt all available and suitable mechanisms to ensure the existence and the integrity of the securities deposited in the centralized deposit accounts.

Article 3 – The centralized deposit is a necessary condition:

I – for the public offering of securities; and

II – for the trading of securities in securities organized markets.

Sole paragraph – The provisions of item I of the **caput** is not applicable to the public offering of:

I – quotas of open-end investment funds;

II – quotas of closed investment funds not admitted for trading in the secondary market; and

III – structured transaction certificates - COE not admitted for trading in centralized and multilateral systems maintained by an organized market managing entity.

Section II – Central Depository Participants' Structure

Article 4 – The participants of the central depository are:

I – qualified as custodians, the legal persons authorized by the CVM to provide securities custody services for investors and issuers, in the terms in the regulation in force;

II – qualified as registrars, the legal persons authorized by the CVM to provide securities bookkeeping services, in the terms in the regulation in force; and

III – the trading systems, clearing and settlement systems and other central depositories with whom the central depository have established a contractual relationship.

§ 1 – The central depository can create different categories of participants for other types of agents that use its systems. Their access conditions must be defined by the rules laid down in Article 39.

§ 2 - The central depository must establish a direct relationship with issuers of centralized deposit of securities whenever:

I – there are no registrars authorized in the terms of the regulation in force;

II – there are no custodians providing services to the issuers; or

III – the issuers are allowed to keep their books directly (direct bookkeeping).

§ 3 – The relationship between two or more central depositories can be established through:

I – a mutual participation arrangement, in the form established in item III of the **caput**; or

II – the creation of interoperability mechanisms.

§ 4 – In the situations referred in § 3, the central depositories involved must define rules and procedures in order to assure:

I – that the transfer of securities between the central depositories are carried out in a timely fashion, considering the investors’ interests; and

II – the effectiveness of the conciliation processes established in this Instruction and the traceability of the movements effected.

§ 5 – The following must previously approved by the CVM:

I – the rules and procedures referred in § 4º; and

II – the timetable, presented by the central depositories involved, for the establishment of linkages between them.

Article 5 – The central depository must immediately inform the CVM about the suspension, exclusion or termination of participants’ activities.

CHAPTER II – AUTHORIZATION FOR PROVIDING CENTRAL DEPOSITORY SERVICES

Section I – Registration Requirements

Article 6 – The following institutions may require authorization to provide central depository services: the legal persons constituted as a joint-stock company or as an association that proves to have financial, technical and operational conditions, as well as adequate and sufficient internal controls and segregation of activities to fulfil the obligations established in this Instruction.

Article 7 – The institution that acts as central depository may pursue other activities provided they are compatible with the central securities depository services and had been previously approved by the CVM.

Article 8 – The institution interested in obtaining the authorization referred in Article 6 must:

I – present an economic and financial feasibility study together with a proposal of minimum net worth that are coherent with the activities performed as well as proof of existence of the necessary resources and the sources of such resources;

II – maintain processes and computerized systems that are safe and adequate to its activities in order to enable the registration, the processing and the control of the deposit accounts as well as the positions kept in those accounts; and

III – present document that proves adherence to the recommendations and principles formulated by the Committee on Payment and Settlement Systems (CPSS) and by the International Organization of Securities Commissions (OICV-IOSCO).

§ 1 – The minimum net worth proposed, processes and systems referred in the **caput** must be compatible with the size, the characteristics and the volume of transactions under the applicant's responsibility, as well as with the nature and the type of securities deposited

§ 2 – The applicant must comply with the following requirements:

I – Constitute and maintain adequate technological capabilities and sufficient and technically skilled human resources to carry out the processes and operate the systems involved in the provision of the central depository services, including adopting capacitation programs;

II – Constitute and maintain monitoring controls and mechanisms that ensure the safety and the integrity of their equipment, facilities and systems, through the creation of access controls, procedures for protecting the information confidentiality and the adoption of other suitable measures;

III – Permanently ensure the quality of their processes and computerized systems, measuring and keeping track of errors, incidents and disruptions in their operations;

IV – Constitute and maintain updated the operational manuals, the general description of the systems used for providing the services, the routine flows, the computer programs documentation, the quality control tools, the physical and logical security rules and the list of the eligible securities;

V – Constitute and maintain structure for the duplication and the storage of the information contained in the computerized systems;

VI – Have a contingency plan in order to ensure the business continuity and the provision of the services;

VII – Constitute and maintain structure for the safekeeping of securities with restrict access and security mechanisms that guarantee the securities integrity; and

VIII – Constitute and maintain structure for the communication and the information exchange with the trading, registration, clearing and settlement systems as well as with other central depositories.

§ 3 - The Office of Market Surveillance – SMI (CVM) will define the format and the minimum content of the document referred in item III of the **caput**, as well as the periodicity for updating the information after obtaining the authorization

Section II – Request for Authorization

Article 9 – The request for authorization to act as a central depository must be submitted together with the documents described in Annex 9.

Sole paragraph – The CVM can require the applicant to provide complementary information as well as perform any inspections considered necessary.

Article 10 – The authorization is automatically granted if the request is not denied by the CVM within a 90 (ninety) days period counted from the day the request has been registered upon receipt protocol.

§ 1 - The period referred in the **caput** can be interrupted only once in the case the CVM requires the applicant to provide additional documents and information related to the request. A new period of 90 (ninety) days is initiated as of the fulfillment of the requirements for the CVM to release its final decision.

§ 2 - A maximum period of 60 (sixty) days is granted for the fulfillment of the requirements referred in § 1.

Section III – Denial of the Authorization Request

Article 11 - The authorization request for providing central depository services must be denied whenever:

I – it has not been submitted with the documents needed for its evaluation or if the additional documents and information demanded by the CVM are not submitted by the deadline established in § 2 of Article 10;

II – false information is identified in the documents presented;

III – inaccurate information is identified in the documents presented and, due to its extension and content, proves to be relevant for the evaluation of the request for authorization;

IV – the applicant do not present evidence of having the adequate human resources, technical and material means or financial resources to provide the services of to comply with the provisions of this Instruction; or

V – the applicant do not comply with any other requirement or condition established in this Instruction.

Sole paragraph – The denial decision referred in this Article can be appealed according to the form and deadlines established in the regulation in force.

Section IV – Cancelation of Authorization

Article 12 – The authorization granted can be cancelled:

I – by request of the central depository;

II – by decision of the CVM, after administrative process where the right of contradiction and full defense are assured, in the following situations:

a) once it is detected that the authorization for providing central depository services was obtained by means of false statements or other illicit methods; or

b) once it is evidenced that the central depository do not comply with the requirements established in this Instruction;

III – in the case of declaration of bankruptcy, judicial and extra judicial liquidation and dissolution of the central depository services provider;

IV – in the case of merger, incorporation or split where no previous authorization is given for the continuity of the provision of central depository services as established in this Instruction; and

V – in the case the central depository do not initiate its activities until the deadline established in its request for authorization or if the central depository suspends its activities without presenting any motivation for a period of time considered relevant by the CVM.

§ 1 - In the situation aforementioned item I of the **caput**, the central depository must provide the CVM with:

I – justified request;

II – transition plan with respect to the safekeeping and control of the securities to another central depository or, depending on the case, plan to transfer the securities to the registries of the issuer or registrar; or, in case of physical documents, to the custodians; and

III – report from an independent auditing firm related to the interruption of the services.

§ 2 – In the situations of cancelation of authorization referred in items II to V of the **caput**, the central depository must present to the CVM, within the defined timeframe, the transition plan with the purpose of transferring to other central depository, the data and the documents related to the services provided until the moment of the cancelation.

§ 3 – The plans referred in §§ 1 and 2 must, in all circumstances, be approved by the CVM previously to their implementation. The CVM will establish the adequate monitoring mechanisms.

Article 13 – The process referred in item II of the **caput** of Article 12 must comply with the following procedures:

I – After analyzing the proof elements deemed necessary, the SMI must summon the central depository services provider to present response within 15 (fifteen) days, extendable for a maximum of other 10 (ten) days, indicating in the subpoena:

a) that the process may result in the cancelation of the authorization as established in this section;

b) that the authorization can be cancelled through the process; and

c) the detailed description of the failures and omissions of the central depository services provider, from those described in item II of the **caput** of Article 12;

II – The central depository services provider, before the deadline established for response, can:

a) contest the allegations of the SMI or justify the needlessness to adopt the measures defined by the SMI; or

b) request a deadline extension, limited to 60 (sixty) days, in order to fulfill the demands or rectify the deficiencies indicated by the SMI; and

III – the SMI, within de 10 (ten) days, must either:

a) accept the allegations of the central depository;

b) concede the requested deadline extension for the fulfillment of the demands or the rectification of the deficiencies indicated by the SMI; or

c) cancel the authorization for the provision of central depository services.

§1 – The decision referred in item III, line “c”, is subject to appeal to the Collegiate of CVM within 15 (fifteen) days, with suspensive effect.

§2 – The Collegiate will decide on the appeal no later than 5 (five) ordinary sessions after having assigned a Rapporteur.

§3 – The punitive administrative proceeding against the administrators, controlling partners or other persons responsible for the central depository, which is based on the same facts that had originated the process referred in item II of the **caput** of Article 12, cannot be initiated before the final decision on the aforementioned process.

§4 – The process referred in item II of the **caput** of Article 12 must necessarily be preceded by at least one subpoena, with a minimum of 30 (thirty) days for fulfillment, in which the SMI indicate the measures deemed necessary by the central depository services provider.

CHAPTER III – PROCEDURES RELATED TO ACTS DEPENDABLE ON PREVIOUS APPROVAL

Article 14 – Without excluding any other provisions of this Instruction, the following documents need to be previously approved by the CVM before coming into effect:

I – the operational rules of the central depository, referred in Article 44; and

II – the participants’ access rules, referred in Article 39.

§1 – In the matters treated in this Article, the CVM has 20 (twenty) days for approving the request, counted from the date the request was submitted or the provision of clarification or complementary information demanded by the CVM.

§2 – After the meeting the demands, which can only be made once with a deadline of 10 (ten) days, the CVM will have 10 (ten) business days, counted from the submission of the request or the provision of clarification or complementary information, to notify about its decision.

§3 – In case the CVM do not notify the central depository services provider about its decision regarding the request within the deadlines established in §§ 1 and 2 of this Article, the documents submitted are considered approved.

§4 – The provisions of this Article are not applicable to changes originated from other public bodies' stipulations in relation to matters that do not fall within CVM's legal jurisdiction.

CHAPTER IV – INFORMATION APPLICABLE RULES

Section I – Rules for Information Registration

Article 15 – The central depository must maintain an information centralized system that enables the identification of the investor and the update of the registration information provided by the custodian that provides services to the investor.

Sole paragraph – It is incumbent to the custodian that provides services to the investors to warrant for the veracity and for the updating of the investors' information registered in the system referred in the **caput**, according to the minimal rules and procedures established by the central depository.

Article 16 – The central depository, as well as any other participant that due to their activities have access to the information, must preserve the secrecy about the securities belonging to each investor according to the regulation in force.

Section II – Information Disclosure

Article 17 – The central depository must provide the issuers, the issuers’ custodians and the registrars, as appropriate, the list of securities deposited and their respective owners in order to ensure the fulfillment of obligations to the investors.

Article 18 – The central depository must make available or send to the investors, as appropriate, the information that allows the identification and the verification of the events involving the securities. The information must contain, at least, the consolidated position in securities, their movements and the events impacting the investors’ positions.

§ 1 – The information referred in the **caput** must be made available or sent, as appropriate:

I – until the 10th (tenth) business day of the month following the month-end when the movement occurred; and

II – when requested by the custodian in order to support the investor’s representation before the issuers of owned securities or before any other third party within 5 (five) business days counted from the request, provided that related to the current year.

§ 2 – The information referred in the **caput** related to the previous year must be made available or sent to the investor until the end of February each year. The investor can expressly give up the reception of this information.

§ 3 – The information referred in the **caput** can be made available or sent by the following means, according to the CVM’s decision described in § 5°:

I – consultation to electronic system with restricted access in the worldwide web;

II – mailing to the investor’s electronic address registered in the central depository’s systems with accredited safety standards; or

III – mailing to the investor’s postal address registered in the central depository’s systems.

§ 4 – In order to provide the statements referred in items II and III of § 3, the postal or the electronic address of the custodian only can be used for the statements of their own account, their executives’ and employees’ accounts and the accounts belonging to investment funds, investment clubs, non-resident investors or other entities under the custodian’s discretionary management.

§ 5 – The decision referred in § 3 must be taken by the CVM by the time the authorization to provide central depository services is granted.

§ 6 – In case the central depository also acts as trade repository for derivatives transactions, the consolidated positions resulting from transactions carried out in exchange and OTC organized markets must also be informed to the investors, in the format to be approved by the CVM.

§ 7 – This Article is not applicable to transactions referred in § 3 of Article 32.

CHAPTER V – RULES, PROCEDURES AND INTERNAL CONTROLS

Section I – General Rules

Article 19 – The central depository must adopt and implement:

I – adequate and effective rules for the fulfillment of the provisions of this Instruction; and

II – procedures and internal controls with the objective of verifying the implementation, the application and the effectiveness of the rules mentioned in item I

§ 1 – The rules, procedures and internal controls referred in this Article must:

I – be written; and

II – be verifiable.

§ 2 – The inexistence or insufficiency of rules, procedures and internal controls as well as their non-implementation or inadequate implementation are considered situations of non-compliance to items I and II of the **caput**.

§ 3 – Inadequate implementation of rules, procedures and internal controls are evidenced by:

I – the reiterate occurrence of failures; and

II – the absence of the registration of the methodology application, in a consistent and verifiable way.

Section II – Risk Management

Article 20 – The central depository must maintain risk management systems suitable for monitoring the risks that are inherent to its activities

Sole paragraph – The risk management systems must define adequate procedures in order to ensure:

I – the regular functioning and the safety of the account structure maintained by the central depository; and

II – the identification, management and mitigation of the relevant risks pertaining the functioning of the central depository, including the risks arising from other services provided or from additional activities besides the centralized deposit; as well as those arising from the connection with trading systems, clearing and settlement system and other central depositories.

Section III – Responsible Director

Article 21 – The central depository must appoint:

I – one statutory director responsible for meeting the requirements established by this Instruction; and

II – one statutory director responsible for supervising the procedures and internal controls referred in item II of the **caput** of Article 19.

§ 1 – The nomination or the substitution of the statutory directors referred in items I and II must be informed to the CVM within 7 (seven) business days.

§ 2 – The functions referred in items I and II of the **caput** cannot be performed by the same statutory director and cannot be executed together with other functions that can somehow be considered conflicting.

§ 3 – The directors referred in items I and II of the **caput** must conduct their activities with probity, good faith and professional ethics acting with the care and diligence expected from a professional in his/her position.

Article 22 – The director referred in item II of Article 21 must, until the last day of April:

I – submit to the Board of Directors of the legal person providing central depository services a report of the previous year containing:

a) the conclusions of the internal auditing reports;

b) his/her recommendations with respect to eventual deficiencies, including, when appropriate, a remediation timetable; and

c) his/her opinion with respect to the deficiencies identified in previous verifications and the measures planned, according to a specific timetable, or effectively undertaken in order to remediate them; and

II – submit to the Board of Directors of the legal person providing central depository services and to the CVM the report about the description, the project and the operational effectiveness of the controls (type 2) of the previous year, issued by an independent auditor registered with the CVM. The report must be elaborated in the terms of the NBC TO 3402 approved by the Federal Accounting Council.

Sole paragraph – The report mentioned in item I must be available for the CVM at the central depository's headquarters.

Section IV – Segregation of Activities

Article 23 – The activities related to the provision of central depository services must be independent from the other activities eventually performed by the same institution.

§ 1 – For the purposes of the **caput** the central depository must ensure:

I – the physical segregation between the facilities used for the provision of central depository services and the facilities dedicated to the provision of other services, or, in case of common use of the facilities, define clearly and precisely the arrangements that ensure the information confidentiality related to the centralized deposit of securities;

II – all administrators, collaborators and employees of the central depository comply with information confidentiality requirements as it is forbidden the transfer of confidential information to non-authorized personnel as well as to third parties that are not submitted to the duty of secrecy towards the central depository; and

III – the access restriction to electronic and physical files and the adoption of restraining controls that allow the identification of the persons that have access to confidential information.

§ 2 – The obligations mentioned in § 1 are applicable to the technological systems used for providing central depository services.

§ 3 – The systems referred in § 2 can be shared with connected services, provided that the measures mentioned on in item I of § 1.

Section V – Hiring of Third Parties

Article 24 – The central depository can hire third parties to perform tasks that are instrumental or ancillary to the activities regulated by this Instruction.

§ 1 – The hiring of third parties, as mentioned in the **caput**, do not change the responsibilities of the central depository who remains responsible for fulfilling its obligations towards third parties as well as the provisions of this Instruction.

§ 2 – The central depository must adopt adequate rules, procedures and internal controls to ensure the safety and to mitigate the conflict of interests in case of hiring third parties.

Section VI – Auditing

Article 25 – The central depository must maintain a structure of internal auditing.

§ 1 – The reports produced by the internal auditing department must be kept updated and available to the CVM.

§ 2 – The CVM can determine the execution of extraordinary specific auditing if there are any signs that the processes and systems are not meeting or can fail to meet their purpose.

CHAPTER VI – CREATION AND EXTINCTION OF CENTRALIZED DEPOSIT

Section I – Creation of Centralized Deposit

Article 26 – The centralized deposit is created with the transfer of the fiduciary entitlement of the security for the purpose of providing central deposit services, as established in the central depository regulation.

Sole paragraph – the securities over which the central depository has fiduciary entitlement do not pertain to the central depository's net worth or special equity and must remain registered in deposit accounts in the name of the investors.

Article 27 – The transfer of fiduciary entitlement of the securities, as mentioned in Article 26, is executed:

I – by means of registration in the central depository’s systems, directly by the issuer or by the registrar, as appropriate, if the securities are book entry; or

II – by specific means for each type of security, according to their nature and in the terms established in the central depository’s regulation, if the securities are represented by a certificate.

§ 1 – In the situation described in item I of the **caput**, the registration in the central depository’s systems depends on the previous transfer in the books or in the systems of the issuers or of the registrars, as appropriate.

§ 2 – In the situation described in item II of the **caput**, the security certificate issued must be kept under custody by a custodian authorized according to the applicable regulation, hired by the issuer or by other institutions responsible for the security placement. The custodian must abide by the minimum rules and procedures established by the central depository, including with respect to the central depository’s access right to the securities.

§ 3 – The service referred in § 2 can be provided by the central depository itself, when authorized to provide custody services in the terms of the applicable regulations, or by a hired custodian.

§ 4 – It is forbidden to the issuer of the securities and to the institution, as holder of the securities, responsible for their distribution in the market to provide the services referred in § 2.

Article 28 – In case of securities that have other securities, financial assets or contractual instruments as underlying assets, the central depository must establish in its regulation the procedures and adequate internal controls in order to ensure:

I – that the securities, financial assets and contractual instruments that serve as underlying assets are kept under custody or are kept by a third party, according to their nature and in the terms of the

applicable regulation, with the adoption of all necessary measures to ensure their existence and integrity, as well as the effective control over their movements;

II – that the securities, financial assets and contractual instruments that serve as underlying assets are not kept under custody or are kept, as established in item I, by the same institution that have originated them;

III – that the rights pertaining to the securities financial assets and contractual instruments that serve as underlying assets are not transferred to others; and

IV – the central depository's access to the securities, financial assets and contractual instruments that serve as underlying assets.

Article 29 – The creation of the centralized deposit can be requested, according to the nature of the security, by:

I – the custodian that provides services to the investor;

II – the issuer of the security, compliant with the provisions of § 4 of Article 27; and

III – the owner of the security, in case the owner is a participant of the central depository and has access to the corresponding systems, compliant with the provisions of § 4 of Article 27.

Sole paragraph – The central depository must establish in its regulation the operational procedures to be adopted in each of the circumstances described in the caput as well as the obligations and responsibilities of the participants or issuers.

Article 30 – Once the securities were transferred to the central depository, their movement and the exercise of rights pertaining to the securities can only take place in the terms of the central depository regulation.

Sole paragraph – It is incumbent to the central depository to establish rules, procedures and controls aiming at preventing the movement of deposited securities and the exercise of rights pertaining to the deposited securities in conflict with the provisions of the **caput**.

Section II – Extinction of Centralized Deposit

Article 31 – The centralized deposit and the fiduciary entitlement over the respective securities are extinct with:

I – The withdrawal of the security from the central depository as a result of an investor request submitted through the custodian or in the other situations established in the central depository regulation;
or

II – The extinction of the obligations pertaining to the security.

§ 1 – In the situations referred in item I of the **caput**, the central depository must reconstitute the investor with the quantity of securities deposited taking into account the modifications resulting from the proceeds, considered the rules applicable in each case.

§ 2 – In the situations referred in item I of the **caput**, the security is transferred to the investor through:

I – the registration in the central depository's system with the corresponding registration done by the issuer or the registrar, as appropriate, when the securities are book entry; and

II – transfer mechanisms specific to each security, according to the its nature and in the terms established in the central depository regulation, when the security is represented by a certificate.

§ 3 – In the situations referred in item II of § 2, the central depository’s regulation must establish the conditions for transferring the security to the custodian or directly to the investor, according to the situation and the nature of the security.

CHAPTER VII – DEPOSIT ACCOUNTS STRUCTURE

Section I – General Rules

Article 32 – The securities must be kept by the central depository in invertor’s individualized deposit accounts in which movements are made by credits and debits.

§ 1 – The deposit accounts must be opened in the name of the investors by the custodians hired by them.

§ 2 – It is incumbent to the custodians that provide services to the investors the execution of all identification procedures to the central depository and the representation for performing any acts related to the central depository, considering the minimum rules and procedures established by the central depository.

§ 3 – In case of repurchase agreements (with securities as underlying assets) executed between banks and their clients, holders of cash deposit accounts, it is authorized the transfer of the securities to a special deposit account of the seller, provide the following conditions are met::

I – the central depository must be capable to individualize and identify the clients that, due tp the transactions referred in this paragraph, become holders of the securities, which must be identified by the selling bank in the terms and conditions specified in the operational regulation;

II – the special deposit account must be used exclusively for keeping positions for holders of cash deposit accounts. The special deposit account must be segregated from other accounts used for keeping the selling bank’s proprietary positions, including in case of institution’s insolvency, judicial and extrajudicial recovery, liquidation and bankruptcy;

III – the securities can only return to the proprietary position of the selling bank in case of repurchase; and

IV – in case the selling bank do not meet its obligation, the securities must be transferred to the deposit account indicated by the account holder, considering the procedures established in § 4.

§ 4 – The central depository must establish in its operational regulation the timetable for the communication of the transactions executed according to § 3 and the procedures for the securities movements, including in case of the selling banks failure to meet its obligations.

Article 33 – The deposit account structure in the central depository must ensure the adequate segregation between:

I – the securities that are in the process of withdrawal, transfer, clearance and settlement and the other securities held in the deposit accounts; and

II – the securities encumbered or deposited as guarantee for the other securities kept in deposit accounts or for other transactions

Section II – Securities’ Movements and Encumbrances

Article 34 – The movement of securities must be commanded by the investors and communicated to the central depository through instructions sent by the respective custodians..

§ 1 – Beyond the provisions of the **caput**, events that impact the position held might promote changes, and the central depository's regulations and manuals must describe the situations which entail the respective movements.

§ 2 – The central depository must develop mechanisms for exchanging information with the clearing and settlement systems to which it provides service with the purpose of sending all necessary information for the proper settlement of transactions, for the blocking of securities eventually needed and for the timely receipt of the movement instructions.

Article 35 – The registration of encumbrances and liens over the deposited securities as a result of judicial constriction, constitution of guarantees or settlement process in clearinghouses, as established in Article 63-A of the Law n. 10,931, of August 2, 2004, and of Article 26 of Law n. 12,810, of May 15, 2013, must be executed in the terms of the applicable legislation through registries in the corresponding deposit accounts.

§ 1 – The central depository must have adequate systems and adopt all the necessary procedures in order to ensure the appropriateness of encumbrances registered, including with the corresponding communications to issuers and registrars, as the case may be.

§ 2 – The system referred in § 1 must allow the identification of the encumbrance's registry as well as of other kinds of guarantees involving the deposited securities and adopt procedures with the objective of:

I – ensuring the unicity and the continuity of such registries over securities;

II – generating the necessary information for the exercise of the resale rights by the guaranteed creditors; and

III – controlling the access to the encumbrance’s registry information, considering the applicable legislation, and allowing for the issuance of certificate in favor of interested parties, in the format to be approved by the CVM.

§ 3 – While regulating the services referred in the **caput**, the central depository must expressly address:

I – the form of constitution, rectification and cancelation of encumbrances, liens and other types of guarantees, including over groups of securities or their universality;

II – the responsibilities, rights and obligations of those involved in the registry of encumbrances, liens or other type of guarantees;

III – The rights, obligations and limits of responsibility of the central depository in the registry process of encumbrances, liens or other type of guarantees;

IV – The treatment given to the proceeds of securities subject to encumbrances, liens or other type of guarantees;

V – The situations and forms of movements of securities subject to encumbrances, liens or other type of guarantees;

VI – The treatment applicable to the situations of anticipated maturity of securities subject to encumbrances, liens or other type of guarantees; and

VII – The procedures and means for providing information about the registered transactions, including related to information disclosure and issuance of certificates.

§ 4 – The provisions of the Article also apply to the constitution of encumbrances over derivatives contracts positions of any nature, provided the central depository is also authorized to effect the registration of those contracts, as established in § 4 of Article 2 of Law n. 6,385, of October 7, 1976, and be able to assure their existence.

Article 36 – The central depository must not abide by commands or instructions that result in negative balances in the deposit accounts.

Article 37 – The transfer of securities is considered final and irrevocable at the moment defined by the central depository and in the terms established in its regulation.

Section III – Reconciliation

Article 38 – The central depository must adopt procedures in order to ensure the daily reconciliation of the positions kept in the deposit accounts held by the investors with the positions kept under its fiduciary entitlement.

§ 1 – The reconciliation process must ensure that the total number of securities of the same type and class deposited in the deposit accounts are equal to the sum of the securities registered by the issuer, the custodian that provide services to the issuer and the registrar, as appropriate, considering the securities' proceeds.

§ 2 – The central depository must provide the necessary information for the custodians, registrars and issuers to reconcile the securities kept in the deposit accounts with those kept in their proprietary registries.

§ 3 – The central depository must keep the log of the activities performed in its systems in order to allow the traceability of the executed movements.

CHAPTER VIII – RULES

Section I – Access Rules

Article 39 – The participants' access rules must:

I – differentiate the participants' categories, establishing their relationship with the central depository;

II – For the participants referred in items I and II of the **caput** of Article 4, establish requirements related to their structure, risk monitoring, human and material resources, organizational and operational capabilities and professional capacity and reputation of the persons acting on their behalf; and

III – For the participants referred in item III of the **caput** of Article 4, establish objective requirements as well as the mechanisms considered adequate for the risk control and administration and for the protection of the integrity of their systems.

§ 1 – The rules referred in the **caput** of this Article must establish the procedures applicable to the relationship between the issuers mentioned in § 2 of Article 4 and the central depository.

§ 2 – The rules referred in the **caput** of this Article and the procedures based on those rules must comply with the principle of equal access and respect to the competition in the central depository activities and in other related or dependable activities and must be disclosed in the central depository's page in the worldwide web.

§ 3 – The fees charged by the central depository must be reasonable and proportional to the services provided, not imposing unjustifiable access restriction.

§ 4 – The requirements referred in item II of the **caput** can include capital requirements, considering the risks of the participants' activities, and activities' segregation rules.

§ 5 – Beyond the provisions of this Article, the relationship between the central depository with trading systems, clearing and settlement systems and other central depositories must be subject to specific agreements in order to regulate operational and technical aspects of the relationship.

§ 6 – The provisions of this Article also apply to the mechanisms of interoperability referred in § 3 of Article 4.

§ 7 – The central depository services and the transfer of deposited securities must be offered to the participants independently from other services provided by the central depository or entities associated to the central depository.

Article 40 – The central depository is responsible for the continuous inspection and supervision of its participants, having the duty to:

I – monitor the compliance with the rules and procedures contained in this Instruction and in its regulations;

II – judge and impose penalties in case of violation of the norms that the central depository is responsible for inspecting; and

III – for the participants referred in I and II of the **caput** of Article 4, verify the regularity of the internal procedures through periodic inspections in the systems, books and registries, including the accounting, related to the central depository activity.

Article 41 – The central depository can constitute an association, a controlled company or a company submitted to common control, or of special purpose, in order to perform the functions of inspection and supervision referred in Article 40; or hire an independent third party to perform those functions.

Sole paragraph – The execution of the inspection and supervision functions by an association, a controlled company, a company submitted to common control or an independent third party do not exempt the central depository from its responsibilities.

Article 42 – The central depository, association, controlled company, company submitted to common control, or of special purpose, that act as established in Article 41 can demand from the participants all necessary information to the execution of its supervisory obligations.

Sole paragraph – The central depository, association, controlled company, company submitted to common control or third party hired must abide by the restrictions imposed by the secrecy involving information related to the deposit securities and their owners.

Article 43 – The supervisory activities of the central depository must be supported by the regulation referred in Article 39 and by contractual and adhesion mechanisms.

Section II – Operational Rules

Article 44 – Beyond the specific rules established in this Instruction, the central depository must define the rules for the organization and functioning of its activities. The rules must cover, beyond the other subjects referred in this Instruction, at least the following:

I – rules and procedures for the movement of securities in its deposit account system, including for the purpose of settlement of transactions;

II – securities' eligibility criteria for centralized deposit;

III – securities safekeeping, control and management rules;

IV – procedures for the treatment of the events impacting the securities;

V – procedures adopted for the reconciliation referred in this Instruction and the respective periodicity;

VI – procedures for the constitution, control and communication, as appropriate, of any encumbrances, liens or other types of guarantees;

VII – rights and obligations of the central depository and of other participants involved in the provision of the central depository services, including the definition, as the case may be, of minimum clauses that must be comprised in the respective services agreements;

VIII – procedures and penalties applicable in case of non-compliance with the duties and obligations established in the regulation, besides the respective events that cause the application of those procedures and penalties;

IX – procedures and controls for the management of the operational risk;

X – contingency and recovery plans with the detailing of the procedures to be adopted in case of operational failures apt to ensure the business continuance;

XI – rules and procedures for the segregation of activities with the purpose of inhibit situations of conflict of interest among administrators and employees as well as the use of privileged information; and

XII – rules for the disclosure of the changes related to the functioning of the central depository services.

Sole paragraph – The rules referred in the **caput** and other operational details related to the provision of the services must be disclosed in the central depository's page in the worldwide web.

Article 45 – The central depository must establish the mechanisms for the participants to adhere to the rules and procedures applicable to each participant category, considering their role in the chain of responsibilities and obligations.

CHAPTER IX – INFRACTIONS AND PENALTIES

Article 46 – It is considered a serious offense, for the purpose of the § 3 of Article 11 of Law n. 6,385, of December 7, 1976, the performance of the activities regulated by this Instruction by unauthorized institution or institution authorized based on false statements or documents, as well as the violation of the provisions established in Articles 1, 2, 15 a 21, 23, 27 a 32, 34, 35, 38 to 40, 42 and 48 of this Instruction.

CHAPTER X – FINAL PROVISIONS

Article 47 – The central depository already authorized or whose request for authorization had already been registered by the CVM must adapt to the provisions of this Instruction in up to 1 (one) year and 6 (six) months after this Instruction has come into effect.

§ 1 – The adaptation process to the provisions of this Instruction must follow a detailed timetable to be submitted to the CVM in up to 90 (ninety) days after this Instruction has come into effect.

§ 2 – The violation of the deadlines mentioned in the **caput** or in § 1 entail the cancelation of the authorization as established in Articles 12 and 13 of this Instruction.

Article 48 – In case of administrative proceedings, the central depository must keep, for at least 5 (five) years or for more time as per CVM's express command, all the documents and information required in this Instruction, as well as all mails, internal and external, all reports and opinions related to its activities.

Sole paragraph – The documents and information referred in the **caput** can be stored in physical and electronic formats. Documents can be substituted by their digital images.

Article 49 – This Instruction comes into effect on July 1st, 2014.

Article 50 – The following norms are revoked:

I – The Instruction CVM n. 89, of November 8, 1988;

II – The Instruction CVM n. 115, of April 11, 1990;

III – The Instruction CVM n° 212, of May 6, 1994

IV – The Instruction CVM n° 261, of April 25, 1997;

V – The Instruction CVM n. 310, of July 9, 1999;

VI – The Deliberation CVM n. 6, of July 26, 1979;

VII – The Deliberation CVM n, 405, of October 10, 2001; and

VIII – The Deliberation CVM n. 472, of July 27, 2004.

Original signed by

LEONARDO P. GOMES PEREIRA

Chairman

ANNEX 9

Request for Authorization for Central Securities Depository Services

Article 1 – The request for authorization for providing central depository services must be submitted together with the following documents and information:

I – company name, registration in the National Legal Person Registration (Cadastro Nacional de Pessoa Jurídica – CNPJ), headquarters complete address, telephone and fax numbers, e-mail address, worldwide web address and signing card with the signature of the legal representatives;

II – acts of incorporation and posterior changes, duly updated and legalized, the proof of the net worth as proposed and sources of the resources;

III – set of documents with the purpose of proving the applicant has organizational and operational capacity to provide central securities depository services, considering the technical, operational, organizational, administrative and financial aspects. The documents must contain a detailed description of the operational risk management mechanisms, comprising:

a) draft of the regulation that discipline the provision of the central securities depository services, establishing the principles and the general rules that subordinate its administrators and the persons with whom it maintains any kind of legal relationship;

b) description of the main characteristics of the processes and technological systems used for providing the services, comprising equipment and communication means that support the systems. It must contain a summary specification of operational routines intrinsic and extrinsic to the systems, as well as the pertinent procedures and internal controls;

c) description of the main characteristics of the operational systems used for providing the services, including when performed by third parties, comprising, among others and according to the systems' nature, the centralized deposit of securities, the securities movements, the processing of corporate actions, the disclosure of information to the participants and their clients, the investor;

d) procedures and basic mechanisms related to the technical access to the participants' systems;

e) summary description of the safety rules for the facilities, equipment and data;

f) description of the human resources allocated to the activity, specifying the functions and titles necessary to its performance;

g) activities' segregation policy;

h) contingency plan, files and database recovery systems;

i) technological and operational contingency environment (contingence site) in a physical location not submitted to the same risks as the main site. The contingence site must allow the business recovery in a timely and safe fashion without compromising the information integrity and the business of the participant and of the beneficial owner; and

j) in case the systems used by the applicant for providing central depository services were not developed by the applicant, copies of the contracts of systems' assignment or development celebrated between the applicant and the company owner of the system or responsible for its development;

IV – organizational chart, indicating the department responsible for the execution of the central depository services;

V – name and qualification of the applicant’s legal representatives;

VI – copy of the minutes of the Board of Directors or of the Management meeting that appointed the directors responsible for the compliance with the rules established in this Instruction and for the supervision of the procedures and internal controls of the central depository services;

VII – list of the companies in which the central depository has equity, including companies indirectly controlled or affiliated;

VIII – legal instrument disciplining the relationship between the central depository and the participant, in the terms established in this Instruction;

IX – designation of the independent auditing company registered in the CVM that executed the operational auditing of the central securities depository services, as well as the declaration of its independency in relation to the auditing; and

X – report about the description, the project and the operational effectiveness of the controls (type 1), issued by an independent auditor registered with the CVM. The report must be elaborated in the terms of the NBC TO 3402 approved by the Federal Accounting Council.